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## **East Asia**

### ***Southeast Asia***

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# East Asia Southeast Asia

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## CONTENTS

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### CAMBODIA

#### COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Khmer Rouge Claims on Conscription, Defectors [Bangkok BANGKOK POST 15 Apr] ..... 1

#### STATE OF CAMBODIA

Thai View of Economic Conditions, Opportunities [Bangkok NAEO NA 23 Mar] ..... 1  
Border Trade Relations Described [Bangkok DAILY NEWS 22 Mar] ..... 2

### INDONESIA

#### POLITICAL

NU Chairman, Others Oppose NU Election Board [KOMPAS 4 May] ..... 3  
Party Leaders Explain Nominating Procedures [KOMPAS 6 May] ..... 3

#### ECONOMIC

Experts Discuss Goals of Domestic Auto Industry [KOMPAS 4 May] ..... 5  
Habibie Criticizes Investors in Irian [SUARA KARYA 3 May] ..... 6  
BKPM To Rescind 424 Investment Permits [SUARA KARYA 6 May] ..... 8  
Oil Company Director on Oil Exporter Status [SUARA PEMBARUAN 1 May] ..... 8  
Mining Investors Receive Fiscal Incentives [THE JAKARTA POST 22 Apr] ..... 9  
Minister on ROK Nuclear Power Cooperation [ANTARA] ..... 9  
State Tin Company Loses 6 Billion Rupiahs in 1990 [ANTARA] ..... 10  
Agency To Impose Stricter Satellite Lease Terms [THE JAKARTA POST 22 Apr] ..... 10

#### SOCIAL

Courts Jail Three Alleged Aceh Separatists [AFP] ..... 10  
20-Year Jail Term for Aceh Independence Activist [ANTARA] ..... 11

### LAOS

Thai Ambassador on Business Climate, Policies [Bangkok KHAO PHISSET 8-14 Apr] ..... 12  
Vientiane Province's Foreign Economic Relations [PASASON 26 Mar] ..... 13  
Lao Resistance Ties to CPT Reported [Bangkok KHAO PHISSET 8-14 Apr] ..... 13  
Thai Border Security Problems [PASASON 26 Mar] ..... 14

### MALAYSIA

#### POLITICAL

Racial Unity Seen as Key to National Unity ..... 15  
Politicization of Race Condemned [SIN CHEW JIT POH 15 Apr] ..... 15  
Necessity of Racial Unity Analyzed [SIN CHEW JIT POH 18 Apr] ..... 16

#### ECONOMIC

Changes in Trade With China Reported [SIN CHEW JIT POH 20 Apr] ..... 17  
Commentaries on Labor Shortage, Foreign Labor [SIN CHEW JITPOH 11 Mar, 6 Apr] ..... 18  
Palm Oil Storage Planned in Venezuela [Kuala Lumpur Radio] ..... 18

**PHILIPPINES**

Aquino Asks Congress To Solve Election Problems [DIYARYO FILIPINO 22 Apr] .....	20
Aquino Views Relationship With Imelda, Cojuangco [DIYARYO FILIPINO 22 Apr] .....	20

**THAILAND**

**POLITICAL**

Personalities in Pro-Suchinda Political Maneuvering [SIAM RAT SAPDA WICHAN 14-20 Apr] ...	22
Ukrit Comments on Constitution, Voting [KHAO PHISET 8-14 Apr] .....	23
Ex-MP Surin Criticizes NPKC [SIAM RAT SAPDA WICHAN 31 Mar-6 Apr] .....	25
Parties' Financial Resources, Backers Described [KHAO PHISET 25-31 Mar] .....	27
Assets, Profiles of Leading 'Godfathers' [NAEO NA 3 Apr] .....	30
Ex-Student, MP on Atmospherics, Constitution [KHAO PHISET 1-7 Apr] .....	32
Editorial Views NPKC, 1973 Revolution [KHAO PHISET 1-7 Apr] .....	33
Sources View Deputy Premier Michai's Military Ties [LAK THAI 1-7 Apr] .....	34
Paper Seeks Wider Thai Role in Indochina [THAI RAT 28 Mar] .....	34
Editorial: Outsiders Aggravate Cambodia Problem [SIAM RAT 21 Mar] .....	35

**ECONOMIC**

BOI Seeks Closer Vietnam Trade Ties [THE NATION 26 Apr] .....	35
Economic Crime Issues, Section 301 Discussed [KHAO PHISET 25-31 Mar] .....	36
Phatchara, Yanyong Comment on Drug Patent Issue [MATICHON 11 Apr] .....	38
Commerce Sets Steps on Drug Patent Issue [MATICHON 10 Apr] .....	38
Police Comment on Copyright, Trademark Violations [NAEO NA (LOK THURAKIT SUPPLEMENT) 9 Apr] .....	39
Editorial Blasts U.S. on Aviation Issue [THAI RAT 27 Mar] .....	39
Sources View Civil Aviation Dispute With U.S. [KHAO PHISET 8-14 Apr] .....	40
Excise Department Sources on Cigarette Imports [NAEO NA (LOK THURAKIT SUPPLEMENT) 8 Apr] .....	41
Finance Ministry Sets Study Teams for Export Bank [NAEO NA (LOK THURAKIT SUPPLEMENT) 9 Apr] .....	41

**VIETNAM**

**POLITICAL**

Differences on Major Issues at Local Congresses [NHAN DAN 15 Apr] .....	43
Congresses Discuss Issues in Draft Party Documents [NHAN DAN 17 Apr] .....	45
Social Scientists Discuss Draft Party Documents [SAIGON GIAI PHONG 9 Apr] .....	46
Remarks on Implementation of Democracy [NHAN DAN 21 Mar] .....	47

**MILITARY**

Commander Stresses Coordination With Localities [QUAN DOI NHAN DAN 5 Mar] .....	49
Militia, Self-Defense Forces Security Tasks [QUAN DOI NHAN DAN 22 Mar] .....	51
Core Role of Militia, Self-Defense Forces [NHAN DAN 15 Apr] .....	52

**ECONOMIC**

Status of Foreign Investment in Ho Chi Minh City [NHAN DAN 10 Apr] .....	52
Labor Minister on Sending Workers Overseas [NHAN DAN 8 Apr] .....	55
Conferences Held To Assess Market Management [NHAN DAN 13 Apr] .....	56
Directive on Capital Entrustment in Economic Units [Hanoi Radio] .....	57
Nationwide Winter-Spring Crops Reported [Hanoi Radio] .....	57
State Bank Sets Up General Control Department [Hanoi Radio] .....	57
Taiwan Firm Funds Joint Venture in Tourism [VNA] .....	57
Joint House Building Venture With Taiwan [VNA] .....	57
Agricultural Joint Ventures With French, Swiss Firms [VNA] .....	58

**SOCIAL**

Demographic Figures Reported .....	58
Population Growth Continues [QUAN DOI NHAN DAN 12 Mar] .....	58
Conference in Hanoi Sets Goals [PHU NU VIETNAM 8 Apr] .....	58
Unemployment Still Problem in Ho Chi Minh City [QUAN DOI NHAN DAN 7 Apr] .....	59
Catholic Bishop Awarded by State [VNA] .....	60

## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### Khmer Rouge Claims on Conscription, Defectors

91SE0268A Bangkok BANGKOK POST in English  
15 Apr 91 p 3

[Excerpt] [passage omitted] Villagers of Phum Thmei in Cambodia opposite Nong Prue also had a dry *Songkran* because there's no water in Khlong Namsai.

In this Khmer Rouge-controlled area of Cambodia near the Thai border, some 3,000 civilians were told to follow soldiers' orders and be prepared for stepped-up military attacks.

Civilian administrator Chom Cheang of Phum Thmei claimed that over 40 villages run by the Khmer Rouge have attracted more and more settlers since the faction relaxed restrictions on its people in January last year.

The faction has now stopped forcibly drafting people into its army, allows people more freedom and strictly prohibits sales of military weapons, he said.

The villagers have also been given farm land in the so-called liberated areas.

In one week alone earlier this month, he claimed, the liberated zones had welcomed 13,000 defectors, young men who had been forcibly drafted into the Phnom Penh army.

The resistance forces are also poised to escalate attacks in Bantaey Meanchey and Battambang provinces, according to Mr Chom.

## STATE OF CAMBODIA

### Thai View of Economic Conditions, Opportunities

91SE0239B Bangkok NAO NA in Thai 23 Mar 91  
p 10

[Excerpts] From talking with businessmen who have been to Phnom Penh, I have learned that there is no more fighting in Phnom Penh. The people living in Phnom Penh have a relatively comfortable standard of living. The Hun Sen government is trying to revive the country by having foreign investors invest in Phnom Penh.

But investors are prohibited from investing in the construction of new factories. The government wants them to lease existing factories and upgrade them. They can purchase machinery and equipment needed for operations from any country without having to pay a tax, and they can export the goods produced without restriction. The reason why the Phnom Penh government is not collecting a tax on imports is that its only goal is to create jobs for people in Phnom Penh.

Thus, Phnom Penh is a very large market for tax-free goods. Many of the smuggled goods sold in Vietnam are from Phnom Penh, and many of the automobiles stolen from Thailand are taken and sold in Phnom Penh. The Nissan Sephiro is a very popular model. Pickup trucks are not popular at all, because diesel fuel is difficult to obtain.

Before the outbreak of war in Cambodia, Cambodia was quite developed. There were many factories there. These included food seasoning plants, ceramic plants, soft drink plants, and so on. Some of these plants were built just 6-12 months before the war started. Thus, approximately 80 percent of the plants that exist today are in good condition. The government has sent people to clean up all the factories and plants. At each of the plants, there are at least 10 people who are experts in the operations of that plant.

Many of the plants have already been leased. These include a textile plant, which is being operated by Thais and a soft drink plant, which is being operated by Thais and Cambodian refugees. Taiwanese and Japanese have come and looked at the ceramics and food seasonings plants. Cambodians prefer to use name brands. For example, they drink only Coke and 7-Up. The people in Phnom Penh like to work in the private sector more than the public sector, because they can earn twice as much as they would in the public sector.

People in Phnom Penh use the Vietnamese dong and the Thai baht. Labor costs here are very low. People in the public sector are paid only 100 baht a month plus 21 liters of rice and 5 kg of fuel per person. Food costs about 1.5 baht per dish. The government has not stipulated a minimum wage. Employers can pay whatever they want. The workers here are very hard working, and everyone can speak Thai. Everyone can speak at least three languages. But there is a shortage of managers and technicians. [passage omitted]

Large numbers of Cambodians who fled abroad are beginning to return to Cambodia and start businesses in Phnom Penh. But these people still hold foreign passports. The return of these Cambodian refugees has generated extravagant habits among the people in Phnom Penh, because these Cambodian refugees use expensive, well-known brands of goods, such as Mercedes Benz automobiles, which cost only 600,000 baht. [passage omitted]

Few of the Thais who go to Phnom Penh engage in real investment activities. They lease plants in the hope of later selling out. No major investors have gone there. Thus, people in Phnom Penh do not think that Thais are sincere. They think that the Thais are just trying to take advantage of this opportunity to make a quick profit.

What has been said here probably won't be a factor in helping investors decide whether to invest in Cambodia. Because the important factor is political security. Cambodia still lacks unity. The zone of influence of the Hun Sen government has a radius of only about 300 km from

Phnom Penh. There is still fighting along the border. The Hun Sen government can't defend itself and must rely on Vietnamese military forces to help defend Phnom Penh.

The areas with valuable resources, such as the jungle areas, are still zones of influence of the Pol Pot faction. The Hun Sen government does not want foreigners coming and taking away its valuable resources. They want foreigners to come open factories so that the people will have jobs and higher incomes.

### **Border Trade Relations Described**

91SE0239A Bangkok DAILY NEWS in Thai 22 Mar 91  
p 25

[Article by Prachuap Ruchingoen]

[Text] Individuals who buy goods from Cambodia and sell them themselves can make only a small profit. But Thai companies purchase goods worth millions. Major merchants in Aranyaprathet have joined together to purchase large goods such as mother-of-pearl tables, old china, and antiques that are very expensive. A Heng Samrin "noborbal" [police] official said that a large number of Thai merchants who have been trading there and who are trusted have purchased very expensive items. They have promised to pay the Cambodian merchants for the goods after they sell the items. But some of these merchants have not paid their debts. This is becoming a problem.

The police have asked to meet with the military officials in charge and have given them the names of the Thais who have purchased goods and refused to pay for them. They want the military to take responsibility for collecting the money owed. Military officials have said that they can't do that, because that is a matter between merchants. The military will not become involved.

As for the transit points that will be opened, there is only one point that still can't be opened, the one at Ban Khlong Luk. A former smuggler said that that used to be known as Ban Rong Klua. Salt used to be stored there for sale to Cambodian merchants. Thus, everyone calls this Rong Klua. The military tried to clear the area in order to open this transit point as scheduled on 18 February 1991. But that was not possible, because this is a jungle area filled with various types of mines that were planted during the time that the Khmer Rouge held power in Poi Pet. Then when Heng Samrin forces seized control of the area, they planted more mines. It isn't known how many mines were laid. Dogs have been killed chasing forest animals.

The area around there is a very dangerous bracken. Mine clearing teams, with teams of war dogs, surveyed the area but concluded that a tractor should be used to clear the area. But so far, officials have not been able to do anything, because there is not enough money to hire a tractor to help clear the area in order to open a trade point. Moreover, higher-echelon units have issued an order forbidding financiers from clearing the area. Thus, the opening of the Ban Khlong Luk trading point will have to wait.

Officials have also issued an order stating that after the Ban Khlong Luk trading point is opened, the border markets at Ban Wang Mon, Khok Sabaeng, and Pa Phai must be closed for the safety of the Thais who like to leave the country, which often causes problems.

After these points have been officially opened, taxes will have to be paid on the goods. Also, Cambodians will come here to sell goods. When they come to our markets, they, too, will have to pay taxes to us. Thai merchants have said that the subdistrict chiefs and village headmen have ordered villagers who owe money to Cambodian merchants to pay them as soon as possible so that problems don't arise and so that we can continue trading with each other.

## POLITICAL

### NU Chairman, Others Oppose NU Election Board

91SE0270B Jakarta KOMPAS in Indonesian 4 May 91  
pp 1, 11

[Text] Jakarta (KOMPAS)—Abdurrahman Wahid, chairman of the NU [Muslim Scholars League] PB [Executive Council], does not agree with K.H. Yusuf Hasyim's idea of creating a General Election Consultation Board (LKPU). Gus Dur, as the NU PB chairman is called, believes the formation of the LKPU would suck the NU into political fights and manipulations.

Pak Ud, as Yusuf Hashim is called, is leader of the Tebu Ireng Islamic Boarding School at Jombang and is Gus Dur's uncle. He recently introduced the idea of setting up an NU LKPU. The purpose of the board, he explained, would be to provide information to NU members as the 1992 general election approaches.

"Pak Ud merely presented the idea to the press, which does not mean that the NU has approved it. We must still discuss the idea further in a meeting of the NU PB. Frankly, I personally do not agree with the idea," Gus Dur told KOMPAS on Tuesday [30 April] in Jakarta.

Meanwhile, Matori Abdul Djalil, secretary general of the PPP [Development Unity Party] DPP [Central Executive Council], declined to comment on the idea of creating the LKPU. "It is just a concept; the NU has not decided anything. I see it as an NU internal matter, and it is up to the NU to evaluate it," said Matori, who is also from the NU.

Nico Daryanto, secretary general of the PDI [Indonesian Democratic Party] DPP, also declared disapproval. "Why must there be an LKPU besides the ones created officially by the government? Besides, the three political forces—the PPP, GOLKAR [Functional Group], and the PDI—already have their respective groups to deal with the general election."

"I think a new LKPU is inappropriate and unnecessary, particularly since this LKPU would not be available to the public. I repeat that I do not approve of the creation of the LKPU," Nico Daryanto declared.

### Leave It to the People

Gus Dur believes the best position the NU can take toward the 1992 election is not to be involved in practical politics. Therefore, the NU does not need to create an election consultation board for its members. "Leave the choices entirely to the people. Let the people be guided by their own perceptions and knowledge in deciding their positions," Abdurrahman Wahid declared.

"How can I guide NU members? My mother is a PPP member and, in fact, is on the PPP MPP (Party Deliberative Council). My younger brother is head of a

KORPRI [Indonesian Civil Service Corps] unit that must support GOLKAR. Where will I direct people? To my brother or my mother? Thus, there is absolutely no election guidance for NU members," he added.

Gus Dur expects that the votes of NU members in the next election will go in equal proportions to the PPP and GOLKAR. "A third of the voters are certain to choose the PPP. Because of individual needs and interests, such as being KORPRI members, etc., another third will vote for GOLKAR. The votes of the other third will depend on how the election contestants work with them. It will be exciting and very good if their votes go to the PDI," he stated.

Gus Dur said that if there is a balanced distribution of votes, there will be no further basis for people to say that the NU has deflated the PPP. "The NU actually did not deflate the PPP in the last election. Because of Naro's policies, however, NU members did not want to be PPP campaigners. Only PPP functionaries were willing to do it."

"In fact, the NU PB has never guided the membership toward voting for a specific contestant or avoiding others. We have always given liberty to NU members to take their own positions in elections," he emphasized.

Gus Dur is confident that conditions will be different in the 1992 general election, however. In his view, PPP DPP Chairman Ismail Hasan Metareum has made very good approaches to the NU. "He is very close to the NU and has given it much attention. For example, his attention to the NU PB was very obvious at the reception held yesterday by the PPP DPP to celebrate the end of the fasting month. I think his approaches are terrific," he asserted.

### Party Leaders Explain Nominating Procedures

91SE0270A Jakarta KOMPAS in Indonesian 6 May 91  
pp 1, 10

[Text] Jakarta (KOMPAS)—GOLKAR [Functional Group] candidates for the DPR [Parliament] in the 1992 general election need not necessarily be natives of the areas they represent. The Development Unity Party (PPP) is leaving nominations entirely to the provinces and will not make any from headquarters. In the Indonesian Democratic Party, the list of candidates will remain entirely the responsibility of the DPP [Central Executive Council], although the party will continue to consider suggestions from the provinces.

Meanwhile, Minister of Home Affairs Rudini said in reply to a press question at the Department of Home Affairs on Saturday [4 May] that it is up to former generals themselves if they want to join the PPP or PDI, for there is no ABRI [Indonesian Armed Forces] regulation that prohibits them from joining a political party after they have retired.

"It will remain a principle that a DPR member must know and be known in his area, but that does not mean that he must absolutely be a native of the area he represents. The important thing is not where he comes from, from headquarters or the provinces, but whether he has the ability and integrity expected by GOLKAR," Drs. Jakob Tobing, MPA [Master of Public Administration], chief coordinator of PP/OKK [election campaigning/organizational, cadre, and membership] affairs for the GOLKAR DPP, declared in Jakarta on Friday [3 May].

Jakob Tobing, who is also managing director of the GOLKAR BAPILU [General Election Control Board], said that during the last two years the GOLKAR DPP has deliberately conducted a program of sending cadres to the provinces. Serving on behalf of the GOLKAR DPP, they provide interaction and communication while becoming acquainted with the provinces.

"In this way, knowing and being known does not depend entirely on a candidate's being a native of a province, although that may be the case," he asserted. He added that people elected to the DPR are not representatives of the provinces but of the people.

"Don't forget that our basic concept as a nation is that we are a national family that transcends birthplace. Therefore, our system of representation must stand on that platform," he declared.

#### No Appointments

PPP Secretary General Matori Abdul Djilil emphasized that the PPP DPP will not appoint DPR candidates for the 1992 election. Nominations are left entirely to the DPW's [regional executive councils], in compliance with the decision of the PPP MUKERNAS [National Working Conference]. "It is expected that each candidate will know his province and be known and supported there," he stated on Saturday [4 May].

The PPP DPP, Matori explained, has authority only to set the order of the candidates. This order will be based on the capabilities and viewpoints of each candidate and on the support he can win.

"Since the provinces are nominating them, DPP functionaries will not automatically be included in the list of candidates. It will depend on how the provinces look at people in their 'talent scouting,'" he declared. This will be different from the nominating process for the 1987 election, in which the DPP made the nominations.

"We want to build up the party on the basis of proper functioning. Party cadres and representatives are not to be measured only by their capabilities, but by their acceptability as well," the PPP DPP secretary general emphasized.

Meanwhile, PDI General Chairman Soerjadi said of his party's nominating process that the PDI DPP has the authority to determine the order of nominees but that

the DPP will also consider suggestions from the provinces. "The DPP has the right to make corrections to provincial nominations. Such corrections will be made based on the qualifications of nominees," he stated.

Although a nominee may be in a sure position on the list, it is possible that he may not become a DPR member after all. It will depend on his readiness to be a member of the legislative body. Soerjadi also emphasized that there is no guarantee that DPP functionaries will become candidates. "Normally, however, our colleagues in the DPP are well known and have potential that the provinces take into consideration," he added.

#### Must Be Active

Jakob Tobing explained that initially the GOLKAR DPP sought 4,000 names, generally pulled from GOLKAR DPP files, in which there are 12,000 names. The total of 4,000 is 10 times the number of DPR members to be elected by the three election participant organizations (OPP's). The requirement for a person from the DPP is that he must be active in the GOLKAR sphere.

"'Active in the GOLKAR sphere' has a broad meaning. He may come from the GOLKAR organization, from a mass organization, or an organization that serves the community. As a GOLKAR cadre, he must have conducted an activity that was useful to the community while at the same time promoting GOLKAR. In addition, he must be a registered GOLKAR member," he said.

All 4,000 names were then distributed to the provinces for further screening to reduce the number to 2,000. This process lasted from the end of March to the beginning of May.

"All recommendations from the provinces have now been received. Through consultation with the provinces, the 2,000 names will be reduced to 800 DPR candidates, who will receive internal GOLKAR approval in late June or early July," Jakob said. Following the schedule set by the General Election Board (LPU), GOLKAR will submit its nominees to the LPU by early August.

"At least 20 percent of the final list will be young people between the ages of 21 and 40," Jakob said. The other 80 percent will be people who will bring balance to the DPR from aspects of community, age, sex, and seniority.

Jakob said it is not as easy as it used to be to recruit young people for the 1992 DPR election. Although DPR seats are attractive to young people, they are not as attractive as in past elections. He acknowledged that while positions in the DPR are respected, many opportunities on the outside offer better incomes, particularly in the growing private business sector.

As a result, many young people want to be nominated for the MPR [People's Consultative Council], since MPR members are not as busy as DPR members. The GOLKAR DPP is not making any tangible concessions



to overcome this problem but, through personal approaches, points out that DPR positions give opportunity to expand one's contacts.

Over the long term, Jakob said, this problem must be dealt with, since it involves the creation of national leadership. He said GOLKAR wants the best to be leaders.

#### PPP and PDI

PPP Secretary General Matori said the DPP has not yet received nominations from the provinces. He expects they will be received by the PPP DPP no later than 30 June, for a list of DPR candidates must be submitted to the Election Committee in early July. In preparing for the 1992 general election, the PPP has formed the LPPPP (PPP General Election Committee), the TDPPPP (PPP General Election Finance Team), and the TPPPP (PPP Campaign Team). At the headquarters level, the PPP has formed the LANTAPPUS (Headquarters Nominating Committee) and has called for LANTAPWIL's (Regional Nominating Committees) and LANTAPCAB's (Branch Nominating Committees). Matori explained that the LANTAPWIL's will nominate DPR candidates. "LANTAPWIL's and LANTAPCAB's will be formed throughout Indonesia no later than 20 May."

According to Matori, more young people than older ones are expected among the candidates. He said that many young people in the PPP are coming forward to be party leaders at regional and branch levels. "The number of older people, known for their 'monoloyalty,' has apparently begun to decline," he said.

To win the sympathy and participation of the younger generation in the next election, the PPP must present itself as a modern party. That means, Matori explained, a party that offers answers to national problems. "The PPP must be able to respond to its purpose as a political body in the way it deals with national life, national income distribution, and social stratification. The PPP pioneered a path in that direction when it created a forum for dialogue between the PPP and the younger generation."

PDI Secretary General Nico Daryanto said that the PDI does not yet have the names of candidates and that they will not be known before mid-July, when DPD's [regional executive councils] submit their nominees to the DPP. He said the DPD's will submit proportionally sized lists, as requested by the DPP.

PDI General Chairman Soerjadi said when contacted last night that the PDI will still be presenting old faces in its nominations, because they are figures that PDI members and the community can trust to represent them in the legislative body. Whether they will be sure candidates on the list "will depend," however.

He explained that PDI nominations are processed through DPC's [branch executive councils] and DPD's.

For this purpose, the DPP has sent instructions on nominating procedures to the provinces. Although a candidate is nominated by a specific province, that does not mean he must be a native of the province. "A person may know a province and be known there without being a native of the province," he stated.

#### ECONOMIC

##### Experts Discuss Goals of Domestic Auto Industry 91SE0271A Jakarta KOMPAS in Indonesian 4 May 91 pp 1, 11

[Text] Jakarta (KOMPAS)—Although the Indonesian automobile industry continues to be oriented to commercial vehicle development, the possibility of building sedans is not excluded. The industry will soon be able to manufacture sedans at prices that will be very low in comparison with current prices.

Minister of Industry Hartarto said this on Friday morning [3 May] in a special meeting with a KOMPAS panel discussion team. Minister Hartarto made the point about the sedan manufacturing capability as input to discussions on the auto industry that were initiated some time ago. All echelons of the Directorate General for Machine, Basic Metals, and Electronics Industries of the Department of Industry were represented at yesterday's meeting.

Panel members present were former Minister of Industry A.R. Soehoed, former Director General for Machine and Basic Metals Industries Soehartoyo, former Department of Industry Chief of Research and Development Dr. R.B. Suhartono, Soehari Sargo, Drs. Kwik Kian Gie, Dr. Hadi Soesastro, PT [Limited Company] Astra Principal Director T.P. Rachmat, and Palgunadi (also from Astra).

The panel, convened at the end of March, has discussed automotive industry policies, which appear to be unclear and confusing to the public. It also has questioned the auto industry protection policy. Although the policy has been in place for 15 years, the industry still has not been able to build its own cars. Moreover, the price of cars, particularly sedans, in Indonesia is one of the highest in the world.

According to Hartarto, the "full manufacturing" of category I commercial vehicles (minibuses) is expected around 1992. There is also the possibility that commercial vehicle components will be top products in the globalization era. This component industry is developing rapidly in Indonesia as a result of the industrial localization program that Japan introduced at the end of the 1980's.

#### Optimism

Minister of Industry Hartarto said that the auto industry will soon be able to produce a less expensive sedan. The

MR-90 is an example. In addition, however, the Bukaka group will soon be building a sedan costing 20 million rupiah "on the road."

Several vehicle prototypes using Lamborghini (Italian) engines have been exhibited at the Mini-Indonesia Theme Park. All of this shows that the Indonesian automotive industry is developing steadily, especially in the component sector.

The minister of industry repeatedly expressed his optimism over the development of the auto industry and said that, even as we face the era of globalization, we need not worry. The agribusiness, forestry, textile, and chemical sectors, for example, have shown their competitiveness on world markets.

Palgunadi said that vehicles are not produced by the automotive industry alone, but also by chains of community enterprises. Thus, the development of industry is equivalent to the development of the community. Business, however, is different from such industrial development. "We must distinguish between industry and business," the Astra official said.

T.P. Rachmat was even more emphatic when he cited the need for compromise between consumers and industrialization programs. In other words, if consumers want vehicles that are cheaper and more comfortable and use high technology, the industry must pursue standardization. Under standardization, vehicle models will not often change, thus keeping costs down.

The PT Astra principal director said that under the current pattern, the many makes of vehicles makes it difficult to give depth to the industry's structure. He proposed that the number of makes be reduced from the current 28 to just eight or nine.

Soehari Sargo expressed a similar opinion. He said there are 11 makes for which only 1,000 units a year are produced. Eight other makes have less than 500 vehicles per year. He asked whether, as Palgunadi had suggested, it would be better if automotive policies were divided into two tracks, business and industry.

Minister of Industry Hartarto responded that the number of makes will decline naturally, because some will not be able to compete. He noted, for example, that whereas there were at least 58 makes in the 1970's, only 28 remain. "The elimination of existing companies is clearly not possible, since that would be contrary to our philosophy. Besides, under the present State Administrative Justice System, the government could be taken to court." He urged, however, that the big auto companies not revive makes that are no longer built.

#### Distortion

Citing an opinion voiced by A.R. Soehoed in a previous discussion, Drs. Kwik Kian Gie said that the interests of the people, which represent national interests, must be given priority in the auto industry development process.

"Thus, it is not merely a matter of the profit or loss of automotive businesses," he said.

According to Kwik, the Indonesian people will not object to making sacrifices for the sake of building a strong industry. The question, however, is whether the industry will actually be built. Although, it has been protected for 15 years, our automotive industry is still inefficient.

Kwik sees the commercial vehicle situation as confusing. This type of vehicle has been distorted into a "sedan" and is no longer used entirely for commercial transportation. If people say that commercial vehicles are able to compete, it is only because a 100-percent import duty has been imposed on sedan components.

Kwik still thinks globalization and the subsequent relocation of industries from the industrialized countries to the Third World are something that must be anticipated. In other words, what will be the Indonesian automotive industry's position in that relocation? Will it exist merely because the industry is no longer needed in the industrialized countries? "I worry that we may be merely 'messenger boys,'" he said.

#### "Providence"

Former Minister of Industry A.R. Soehoed believes the Indonesian automotive industry's policies have always been unclear. Are they for the sake of industrialization alone? Or for the interests of the people, or for defense, or for what? He says that allowing the industry's pattern merely to develop "naturally" is not without danger. If we do that, we have no control over what is being developed and why. It is possible that Indonesia in the end will become simply an arena for the interests of other countries.

Soehoed feels that the inexpensive sedans being produced now and in the future need to be looked at critically. These vehicles include some with outdated engines. In connection with the Lamborghini engines that are to be developed for low-cost sedans, Soehoed notes that vehicles like that were imported in the 1950's but did not sell.

Soehoed also does not agree that Indonesian industry has a comparative superiority for the era of globalization, as pictured by Minister of Industry Hartarto. Our position in the forest products, rayon, paper pulp, and aluminum industries, for example is not because of the reliability of our industrial technology but because of providence. "There are no forests in the Middle East, and only a few in the PRC; but through providence we have many here," Soehoed said.

#### Habibie Criticizes Investors in Irian

91SE0276A Jakarta SUARA KARYA in Indonesian  
3 May 91 pp 3, 11

[Text] Jayapura (SUARA KARYA)—Minister of Research and Technology B.J. Habibie does not want

monopolistic conglomerates to invest in eastern Indonesia. Needed in that area are investors who think about even distribution of prosperity. These will be industries that, out of concern for preservation of the environment, create a multiplier effect and give attention to uninterrupted development.

During a visit to Eastern Indonesia (IBT), Habibie expressed his displeasure that a number of big companies have ignored preservation of the environment. One plywood factory that has been cutting forests for 10 years began replanting only eight months ago. Even more regrettable, the company cut down rare and expensive trees but replanted with other kinds. Because other plywood plants in Irian Jaya dump waste into the sea, there is concern that the marine ecosystem is being damaged.

Irian Jaya Governor Barnabas Suebu admitted being grossly at fault for the pollution of the environment. The problem is that there are no personnel in his province who are capable of detecting pollution, and he does not have an AMDAL [environmental impact assessment] commission. To make matters even more difficult, he does not even have test equipment. He promised, however, to reprimand companies that do not consider preservation of the environment.

For Habibie, the monopolistic conglomerates ultimately hurt the people. He criticized conglomerates that merely pile up capital. It is different when investors are able to create a multiplier effect to boost small and medium-sized industry. In this connection, economic planning should not consider minimum cost alone, for it is more important to develop a redundant system. In other words, a company should be able to stimulate its supporting industries, like the relationship of a cell to plasma. It is like a table with 50 legs. If 10 of them break, the table will still stand. That is the general idea of redundancy. "Monopolistic conglomerates are not going to create redundancy. If possible, redundancy should be created on a national scale and on an international scale, too, as Japanese companies have done in various parts of the world," Habibie said.

The minister disclosed data demonstrating the lack of efficiency on the part of HPH [forest exploitation concession] holders in Indonesia in comparison with those in the industrialized nations. In the United States, one hectare can earn \$5,000 a year, and replanting operations achieve 300 million trees per hectare per year [as published]. In Indonesia, one hectare produces an average of only \$60.80 per year. There are no data on replanting.

Since Irian Jaya is to be developed for tourism or for investment in other sectors, Habibie instructed the regional government to take firm action against land speculators. Habibie feels that land speculators do great harm to the people and create a high cost economy, which often makes investors unwilling to come in. This is particularly true of investors who have declared their

intention to develop tourism areas. Habibie asked the regional government to issue ultimatums to the six investors now in Biak. If they do not begin their projects in six months, their permits are to be rescinded. "It is an important development philosophy that we must be firm in matters like this. We must also be pragmatic, because the competition for investors is getting more intense," Habibie added.

On Wednesday night [1 May] in Jayapura, the governor described Irian Jaya problems that he did not have time to mention while he accompanied Habibie on trips to Sorong and Biak the day before. Unemployment is a serious problem in Irian Jaya, since the number of unemployed SMP [junior high school] and SMA [high school] graduates has exploded to 30,000. Although there are about 10,000 college graduates, the region has a shortage of competent educated people and people with graduate degrees. Teachers are unwilling to go into isolated areas.

#### Thefts

Barnabas Suebu said he is frustrated because of the natural resources that are stolen and taken out of Irian Jaya illegally. Thefts of timber are still taking place, and illegal crocodile hunting goes on despite efforts to prevent it. There are also fishing companies with permits from Jakarta who exploit Irian Jaya waters.

Barnabas also pointed out the potential of Irian Jaya's natural resources, another subject he did not have time to mention earlier. Irian Jaya has prepared 1 million hectares of land for rice and soy beans. When other areas, particularly Java, have food problems, Irian Jaya can thus be a rice barn for them.

While in Biak and Irian Jaya on Wednesday, Habibie, as general chairman of the ICMI [Indonesian Association of Muslim Intellectuals], installed directors for Biak and Irian Jaya regional ICMI organizations. After describing the history of the creation of the ICMI, Habibie emphasized that because the ICMI has a very clear target it is an organization without any secrets and one that is extremely transparent. He repeated the criteria for being an intellectual, saying that the important thing is not to be blind to conditions in society and the environment. "Although a person may be a tremendous scholar, if he is not sensitive to the environment he is not in the intellectual category," said Habibie, who gave an example in the German language.

In a speech at Cendrawasih University on Thursday [2 May], Habibie explained the importance of science and technology, market-oriented education, and international science and technology developments. He stated that a PLTN [nuclear electric power plant] remains the last option for meeting electricity shortages after the year 2000. The fusion energy awaited by many energy experts in the world will not exist for another 50 years. He also said that every month private industry is "pirating"

engineers and STM [technical middle school] graduates from IPTN [Nusantara Aircraft Industry] by tantalizing them with doubled salaries.

### **BKPM To Rescind 424 Investment Permits**

*91SE0276B Jakarta SUARA KARYA in Indonesian  
6 May 91 pp 1, 11*

[Text] Manado (SUARA KARYA)—As many as 424 investment permits for both PMDN [domestic capital investment] and PMA [foreign capital investment] projects valued at 3 trillion rupiah are soon to be rescinded. A number of other investment permits are also threatened with the same fate because the holders have not reported on the implementation of their investment projects in Indonesia.

In conversations with SUARA KARYA during breaks on his visit to IBT (Eastern Indonesia) with the delegation of Minister of Research and Technology B.J. Habibie, Deputy BKPM [Capital Investment Coordination Board] Chairman Achmad A.Z. said that 47 of the 424 permits to be rescinded are PMA and the other 377 are PMDN. "Those whose permits are rescinded will be announced soon," Achmad A.Z., who is deputy BKPM chairman for management and implementation, said last week.

The value of the projects for which permits are being canceled is astonishing. Achmad did not recall the precise figure but said it was about 2 percent of all approved investments, which now total 144 trillion rupiah. This means the rescinded permits are for projects worth nearly 3 trillion rupiah. They make up about 5 percent of all approved projects. "Because of the great value of the projects, announcements will be made little by little so that the public will not be 'shocked,'" Achmad A.Z. said.

The BKPM has always required that investors who get permits bring their projects to realization within three years after permits are issued. If investors have not implemented their projects by that time, the permits will be rescinded. These 424 permits are in that category.

The BKPM appears to be taking a firmer position toward investors. Besides rescinding the 424 permits, the board is also making an inventory of investors who have not reported the results of project implementation. Achmad A.Z. said the board will issue warnings to investors required to report, which means those who submitted investment applications before the end of 1989. "I have already signed the warning letters," he said. These warnings will be made in phases. The first warning letter was sent on 1 May. The second warning will be sent on 1 June and the final one on 1 July. "If they have not reported by the deadline, there will be no pardon; their permits will be canceled," Achmad A.Z. continued. The permit cancellations will be made in mid-August. He did not state precisely how many await cancellation but said there are many.

### **Low Realization in East Indonesia**

Data related to investments in the nine provinces of eastern Indonesia make clear that implementation of approved projects is very low. The lowest realization is among PMDN projects.

According to BKPM records, the value of realized projects in Irian Jaya is only 7 percent of the total. Of approved projects worth 3.554 trillion rupiah, projects worth only 238.2 billion rupiah have been implemented. In West Nusa Tenggara and Central Sulawesi, PMDN project realization totals 9 percent each. In West Nusa Tenggara, approved projects total 630.5 billion rupiah, but only 55.2 billion rupiah have been realized. Conditions are not much different in Central Sulawesi: Projects worth only 120 billion rupiah have been implemented out of approved projects worth 1.408 trillion rupiah.

In East Nusa Tenggara, of 464 billion rupiah in approved projects, only 57.5 billion rupiah, or 12 percent, have been implemented. In Southeast Sulawesi, only 11 percent have been realized. Of projects worth 695.7 billion rupiah, only 76 billion rupiah have been realized. Of all the provinces, South Sulawesi has the highest percentage of implementation with 32 percent. Of 1.593 trillion rupiah in approved projects, projects worth more than 505 billion rupiah have been realized. All the above data on the implementation of approved projects cover the period from 1968 to the end of March 1991.

### **Oil Company Director on Oil Exporter Status**

*BK1105105091 Jakarta SUARA PEMBARUAN  
in Indonesian 1 May 91 p 4*

[Excerpt] Palangkaraya, 1 May—Faisal Abda'u, Pertamina state oil corporation director, believes that Indonesia will not become an oil-importing country before the year 2000 because the government's efforts to promote oil exploitation, provide new incentives to foreign contractors, and encourage the usage of nonoil substance as an alternative source of energy have shown significant progress.

"We will become an oil importing country only if such efforts are unsuccessful," the Pertamina director said when he was interviewed by a SUARA PEMBARUAN correspondent at Cilik Riwut Airport, Palangkaraya, Central Kalimantan, after he commissioned a new oil depot at Kotawaringin Barat district last Tuesday afternoon.

He said that a total of 46 joint venture projects to explore new oil and gas deposits have been signed in the last three years. Three more contracts will be signed this month. He also stressed the need to reduce growing oil consumption by using alternative sources of energy such as gas and geothermal energy. [passage omitted]

### Mining Investors Receive Fiscal Incentives

BK3004080091 Jakarta THE JAKARTA POST  
in English 22 Apr 91 p 1

[Text] Jakarta (JP)—New investors mining minerals in frontier areas can now enjoy fiscal incentives, including the deductibility of fringe benefits from taxable income, says Director General of Mines Kosim Gandataruna.

He told THE JAKARTA POST here yesterday that fringe benefits, allowances other than salaries and wages which were given to employees, could be deducted from income taxes of companies operating in frontier areas.

Fringe benefits received by employees were not subject to tax, he said.

He said the frontier areas, as stipulated by a decree of the minister of mines and energy, included Irian Jaya, East Timor, Sumba in West Nusa Tenggara, and North Sulawesi.

"We will likely include Central Sulawesi in the near future," he said.

Kosim said the government had also set a very favorable tariff on tax on land and buildings (property tax) used by new investors wanting to explore for and mine minerals in frontier areas.

"Such investors are required to pay only US\$1 dollar per annum for each square kilometer of land in which they are exploring for minerals," he explained.

He said this tariff was more favorable than that announced by the government last year for new business operations in eastern provinces.

Minister of Finance J.B. Sumarlin said last year that the government was granting a 50-percent discount on property tax due on land developed by investors for eight years starting from the date of the issuance of land titles for operations in certain business sectors in 13 of the country's 27 provinces.

Investors who can enjoy the tax reduction, according to the finance minister's decree, are those making new investments or increasing their existing investments by at least 30 percent.

Since the property tax tariff in general is set at 0.5 percent of the estimated sales price of the properties, the tariff for those operating in the 13 provinces—Irian Jaya, East Timor, Maluku, East Nusa Tenggara, West Nusa Tenggara, and all provinces in Sulawesi and Kalimantan—will be only 0.25 percent. The business sectors covered by the tax incentives include agriculture, plantation, animal husbandry, fishery, mining, forestry, manufacturing, real estates and industrial estates, hotels and other tourist facilities, economic infrastructure and transport services.

Kosim said new investors operating in general mining in frontier areas could also enjoy the exemption of duties

on the imports of capital goods and their spare parts until 10 years of commercial operations.

Such investors could also use English [pound sterling] and U.S. dollars in their financial reports without having to obtain prior approval from the minister of finance, he said.

Depreciation of assets used by companies operating in frontier areas could also be calculated in a way of straight lines, he added.

The director general said that the fiscal incentives for mining investors, which were mostly different from those for other businesses, had been effective as of last September even though the government had not announced them publicly.

"We are now processing licenses for four foreign companies which will enjoy such incentives," he said.

### Minister on ROK Nuclear Power Cooperation

BK0605090891 Jakarta ANTARA in English 0833 GMT  
6 May 91

[Text] Jakarta, May 6 (OANA-ANTARA)—Indonesia's cooperation plan with South Korea on construction of a nuclear power plant has received positive response from the country's energy and resources minister, Yi Hui-il, Mines and Energy Minister Ginanjar Kartasasmita said here Monday.

In an address at the 13th Indonesia-South Korea joint committee meeting which dealt with the issues of mineral resources and energy, Ginanjar said that Indonesia was now entering its first phase of a nuclear power plant construction and it wished to share South Korea's experiences on the field.

He also said both countries had reached some significant progress in the energy and mineral resources cooperation, which could be seen from South Korea's oil products and crude imports from Indonesia that last year totalled about 60,000 BPD [barrels per day].

According to the minister, South Korea preferred to sign contracts with Indonesia to ensure smooth supply of the commodities to paying for them in cash.

Speaking on coal, Ginanjar said South Korea's imports from Indonesia continued to decrease.

[words indistinct] 1989 imports.

The 1989 imports dropped by 20 percent from that in the previous year, he said.

The two-day meeting is scheduled to last Tuesday with the signing of contracts on additional liquefied natural gas (LNG) supply from Indonesia to South Korea.

Through the signing Indonesia will supply 2.3 million tons of LNG per year.

**State Tin Company Loses 6 Billion Rupiahs in 1990***BK3004063091 Jakarta ANTARA in English 0312 GMT 30 Apr 91*

[Text] Jakarta, April 30 (OANA-ANTARA)—The financial losses of the State Tin Company PT [Company Limited] Tambang Timah in 1990 reached six billion rupiahs [Rp.] (one U.S. dollar: Rp. 1,935) exceeding the original estimate, President Director of the company Kuntoro Mangkusubroto said in Pangkalpinang, Bangka Monday.

Speaking to the press, Mangkusubroto admitted that it was initially estimated [words indistinct] time stood at 5,200 U.S. dollars per ton compared to the production cost of 6,000 U.S. dollars per ton, he added.

However, the director affirmed that the company would no longer suffer any financial losses since it was projected that the production cost would be reduced to 4,500 rupiahs.

The output of the company is expected to increase from 21.6 thousand [21,600] tons in 1990 to 22.7 thousand [22,700] tons in 1991, he said.

**Agency To Impose Stricter Satellite Lease Terms***BK3004022891 Jakarta THE JAKARTA POST in English 22 Apr 91 p 9*

[Text] Jakarta (JP)—State-owned Perumtel [telecommunications corporation] would now impose stricter contractual terms on any party wanting to lease its Palapa satellite transponders, the public corporation announced over the weekend.

"Perumtel has four idle transponders because previous contracts do not say when the clients leasing the devices must start operating them," Cacuk Sudariyanto, the corporation's president, told reporters here Friday.

Sudariyanto said at Perumtel's Jakarta office the public corporation now demanded a 20 percent down payment for any leasing agreement immediately after signing, a 40 percent payment within three months of signing and the remaining 40 percent within six months of the signing, otherwise, the contract would be disregarded.

Previous lease contracts only obliged clients to pay a 20 percent down payment without indicating when the clients would have to start using the transponders.

Sudariyanto said the client terms had been imposed earlier because at that time there were only a few prospective clients.

The rent fee for a transponder has now been increased from US\$750,000 to \$1.1 million per year since last year, but Sudariyanto said the fee was cheaper compared to Hong Kong's Asiasat which demanded \$1.4 million per transponder annually.

Sudariyanto said Perumtel had reviewed its deals with the four parties which had signed lease contracts for four of its transponders, but which had yet to start operating the transponders.

He said Perumtel had also reviewed its deal with a party which had not paid the rent for a transponder amounting to \$4 million, which included interest.

He said Indonesia should have at least three Palapa satellites in orbit and added that state-owned Perumtel would use one to support its operation, another one for back up and the remaining one for lease.

Perumtel now has three Palapa satellites—B1, B2P and B2R—in orbit each with 24 transponders. A transponder is capable of accommodating 1,200 channels.

But, Palapa B1 ended its projected life period in December 1990. An American company, Comsat, is reportedly asking Perumtel to sell it to the company.

Perumtel is now offering six transponders—five of B2R and one of B2P—as the other 42 have gone into operation.

The fourth satellite, Palapa B4, which is being made by Hughes Corps. at a total cost of \$53 million, will be launched in March 1992 by a McDonnell Douglas Corp. Delta rocket at a cost of \$44 million, plus an insurance fee of about \$17 million.

A consortium of Indonesian insurance firms led by PT [company limited] Asuransi Jasa Indonesia would sign the insurance agreement covering the production cost and launching of the Palapa B4 satellite, he said.

Sudariyanto said Indonesia chose to use the Delta rocket to launch Palapa B4 next March because the option offered the highest rate of return and duration period for the satellite compared to France's Ariane and China's Long March rockets.

**SOCIAL****Courts Jail Three Alleged Aceh Separatists***BK1005053091 Hong Kong AFP in English 0458 GMT 10 May 91*

[Text] Jakarta, May 10 (AFP)—Courts in the western Indonesian province of Aceh have sentenced three alleged members of a separatist group to jail terms ranging from eight to 20 years, press reports said here Friday.

The state court in Langsa, east Aceh, Wednesday jailed former policeman Muhammad Saidi, 53, to 20 years after finding him guilty of active involvement in the Security-Disturbing Movement (GPK) in Aceh, the daily KOMPAS said.

In the provincial capital of Banda Aceh, separate courts Wednesday jailed two other alleged GPK members,

Mulkan Usman, 38, and Adnan Beuransah, 31, to 12 and eight years respectively, the Armed Forces daily AB said. The two were found guilty of subversion by active involvement in a group aiming to set up a separate Moslem state in Indonesia, AB said, but gave no further details.

GPK is the official term used to denote anti-government groups in Indonesia. In Aceh, it refers to the Aceh Merdeka (Free Aceh) movement, which aims to set up a separate Islamic state.

Military authorities have blamed the group for a series of killings and ambushes of troops last year. Mr. Saidi provided the group with a gun and 100 bullets used in a May 1990 attack on a police post—killing two officers—in a bid to obtain more weapons, KOMPAS said. The gun was state property Mr. Saidi failed to return after he left the service, the court said.

The defendant, for whom the prosecution had sought a life sentence, was also found guilty of organizing meetings of GPK members in East Aceh, it said.

Both Mr. Saidi and the prosecutor have asked for a stay to decide whether they would appeal, KOMPAS said.

**20-Year Jail Term for Aceh Independence Activist**  
*BK1505154191 Jakarta ANTARA in Indonesian*  
0614 GMT 15 May 91

[Excerpt] Banda Aceh, 15/5 (ANTARA)—The Langsa (East Aceh) District Court on Tuesday sentenced Bakhtiar bin Ismail (age 33) to 20 years, minus the time he spent in police custody after being found guilty of active involvement with the GPK Aceh [security disturbance group, the official term for the Free Aceh Movement fighting for independence in Aceh Province].

A council of judges chaired by Abdul Wahab S.H. said in a verdict that the defendant had been involved since February 1990 with the GPK fighting to establish an Islamic Aceh state in Sumatra separated from the unitary state of the Republic of Indonesia.

Based on information provided by witnesses and evidence shown during the trial, the defendant played a very active role in the GPK Aceh and had even undergone military training abroad.

The defendant and other GPK activists, [first name indistinct] and Thaib, who are being tried separately, masterminded the murder of two members of the Republic of Indonesia Police while on duty in East Aceh in 1990. [passage omitted]

**Thai Ambassador on Business Climate, Policies**

91SE0240A Bangkok KHAO PHISSET in Thai  
8-14 Apr 91 pp 54-55

[Interview with Thai Ambassador Nikhom Tantemsap;  
date and place not given]

[Excerpts] [KHAO PHISSET] There have been reports that Laos is trying to promulgate a law to improve trade. Can you tell us anything about this?

[Nikhom] Laos promulgated a criminal code last month, but it has not yet been implemented. This covers investment, too. Investors are still very uncertain. This law also concerns the banking and monetary systems. Today, there is a revolving system that uses the baht and dollar. They are trying to use the kip under the control of the central bank so that they can collect taxes.

[KHAO PHISSET] The Fifth Plenum formulated a policy of using a freer trade system. Will this policy have any effect on Thailand's trade? [passage omitted]

[Nikhom] We already have an agreement on investment protection. Actually, the first country with which Laos signed such a treaty was France. We are the second country. This agreement was signed in March last year. Thailand has already ratified this treaty. Thus, we already have an agreement, but it has not been implemented. The fact that they have announced this policy and the fact that we have an agreement will eventually lead to trade between our two countries.

[KHAO PHISSET] Does that mean that the Lao Government and Thai businessmen may invest jointly?

[Nikhom] From what I know, they are changing the form of their state enterprises. That is, they promulgated a law, or cabinet resolution as they refer to it, at the end of last year to have the state stop engaging in certain public utilities activities. Today, the state is involved in only a few essential activities such as energy. Other than those, they intend to let the private sector, including foreign investors, run the activities. There are three methods: The private sector may undertake the activities by itself in the form of a concession. Or shares may be offered with the private sector. And if I am not mistaken, they may hold shares together with the government.

[KHAO PHISSET] Have any Thai businessmen talked with you about this freer trade in Laos?

[Nikhom] Not about the matter of their free trade policy. But they have expressed an interest in investing there. And businessmen have complained about things having to do with mutual misunderstandings.

[KHAO PHISSET] Today, which groups in Thailand are investing in Laos, and will investment increase in the future?

[Nikhom] Most are small investors. There are no major investors from the private sector. In the past, Deputy

Minister Praphat Limpaphan held talks with Lao officials and told them that if there was a joint agreement to protect investors, larger investors would invest there. But so far, no major investors have invested there. In some cases, this depends on the needs of Laos, too, because they are well aware of the fact that they have certain resources that others need. That could easily deplete those resources. Examples are timber and minerals. They want to engage in activities that will benefit them, too. They don't want to engage in business activities that will lead to the depletion of resources, such as their forests. If the forests are exploited, there must also be an afforestation program. In his statement, Mr. Kaysone expressed this view or target. [passage omitted]

[KHAO PHISSET] Are the changes being made by Laos to become freer similar to those being made in Eastern Europe?

[Nikhom] In one respect, they are different, because Laos has said that it intends to have a democratic system with the Lao Revolutionary Party as the activist. Prime Minister Kaysone has stated this very clearly. Western academics are watching to see what will happen. That is, politically, Laos continues to have a one-party and not a multiparty system. How can you have freedom like that? But they have been doing this for three to four years now.

[KHAO PHISSET] What are the main types of goods now being traded by Thailand and Laos?

[Nikhom] I should mention the obvious. Vehicles or vehicle parts are being traded. Hotel items are increasing. Timber trading is increasing, too. There are two or three types. That is, some people purchase timber from Laos and sell it on the Thai side. Others are investing in building sawmills there or in making furniture. Some who have invested there are experiencing problems. That is, those who have invested in the rattan industry have not been able to produce goods that meet the standards. The goods have defects. Last week, at agreement was reached at Sipsongpanna in China concerning the rattan industry. Most of the smaller merchants invest in restaurants.

[KHAO PHISSET] As for foreign investment in Laos, who is the largest investor today?

[Nikhom] You will have to ask the commercial attache about that. He has more data than I do. But based on the data that have been given me, about 30-40 Thai companies have invested there as compared with three or four Vietnamese companies. But I don't really know the exact number. What I do know is that Laos has told General Suchinda that they want Thais to invest in Laos. Everything is interrelated. Laos has large quantities of agricultural products that they want to sell to Thailand. If we purchase these goods from them, they may use that money to purchase more goods from us. Transportation costs across the border are very high. Because of this, industrial production costs are high. We have not given them any help in this respect. They have complained that we charge \$60 a ton for transporting goods while other



companies charge only \$15 a ton. Thus, they don't have to do anything. If this were another time when politics was an issue, I couldn't say much. People would accuse me of siding with Laos.

The issue of transport fees concerns other goods besides agricultural goods. This also includes industrial goods. But there is one strange story about agricultural goods. The Ministry of Commerce, which is responsible for protecting our industry, refused to purchase soybeans from Laos. But when Charat Phuachuai became deputy minister and found out that they had soybeans that they wanted to sell to us, he told them that we would purchase 20,000 tons a year from them. Because we have to purchase soybeans from the United States. But then Laos had to determine how many tons of soybeans it could sell to us. That is the story behind this.

[KHAO PHISSET] Laos plans to privatize some of the state enterprises. Are Thai businessmen interested?

[Nikhom] In general, I think that Thai businessmen are interested. But for some people this is nothing new. This is my personal view. Many people have invested in Laos, but for various reasons their activities have not been a success. Thus, they have ceased operations, because things are so uncertain. They have turned to other trading activities. Most of those who remain are, as I said, small merchants. Reaching an agreement with Laos on trade is still a problem, because they will sign an agreement with whoever can help them. In Laos, there are several organizations. But when an agreement is signed, the results are not that good. The Ministry for Foreign Economic Affairs once told me that all investment activities would have to go through the ministry. This unit has been given direct responsibility. If an agreement is reached with some other unit, things won't be certain. In the past, Thai businessmen signed contracts with provincial governors, who had the power to sign agreements. Some people contacted officials in Vientiane about buying timber. When they wanted to purchase timber, they contacted the provincial governor directly. But if problems arise, it may be difficult to solve these problems. This is still the initial period. People don't know whom to contact.

[KHAO PHISSET] When was the joint investment law promulgated?

[Nikhom] This law, which will protect investment between Thailand and Laos, was signed about the beginning of last August at the Ministry of Foreign Affairs. It is an agreement to protect joint investment. This agreement is already in effect. I am not sure if it will be necessary to implement other laws in support of this. This is a very short agreement that contains just a few articles. It has already been ratified by the Thai Parliament. Laos has ratified it, too. But, in short, I don't see anything definite from the standpoint of investment. Here, I am referring to large companies such as the CP Company. This is because the Lao market is small. The population of Laos is small, and the markets there are

dispersed. They think that that is better. Let me give you an example. If Thailand wanted to build a cement plant at a time when the country needs cement, it could do so, because they have gypsum. The problem is that there is a lack of roads. There are no railroads. There is no infrastructure. This makes it difficult to invest. But there may be such things in the future.

There is one variable that could help stimulate investment there. That is a bridge (across the Mekong River). They will invest in the construction of this bridge at the end of this year. Once a bridge has been built, there will have to be roads. Once that happens, everything will happen faster. As for a railroad or the Asian highway, some people are thinking about extending this into Burma and through Vietnam to China. I hope that everything improves in the future.

### Vientiane Province's Foreign Economic Relations

91P30137A Vientiane PASASON in Lao 26 Mar 91 p 1

[Text] In 1991, the province has planned to expand economic relations with Vietnam, Cambodia, China, and Thailand in many ways: business cooperations, investment promotion, and exchanges of goods on the basis of mutual benefit. This direction has been stated in the province's economic development plan.

In the last five years, cooperation with Vietnam, especially with its twin province of Hai Hung, has yielded good results, mainly in joint business ventures in wood processing, bee raising, the production of fish and pork products and fruit trees. Also, Vientiane Province has expanded cooperation with Nghe Tinh and Quang Binh Provinces and Ho Chi Minh City. This is being done so as to seek out economic possibilities that would lead to joint business cooperation. As for Cambodia, cooperation is gradually taking form in ways that would set cooperative ventures both in the near future and over the long term. China and Vientiane Province have been exchanging goods as needed.

Throughout the period of change, the province has expanded cooperation with Thailand, Japan and Singapore.

### Lao Resistance Ties to CPT Reported

91SE0240B Bangkok KHAO PHISSET in Thai  
8-14 Apr 91 p 8

["Intelligence" column]

[Text] Finally, it has been determined that members of the "Comrade Lung Sin" faction of the CPT [Communist Party of Thailand] do in fact have ties to the Lao Liberation Organization, or "rightwing Lao" as they are called. Thahan Phran irregulars from the 32d Regiment seized a piece of evidence while attacking Camp 106, or the "Ban Kong Headquarters." What they seized was a seven-point "joint agreement" between the CPT and the Lao Liberation Organization stating that the two groups

would cooperate politically, militarily, and organizationally. They are united on more than just ideals. This "joint agreement" was prepared at "Khun Nam Pui" on 13 August 1988 and was signed by four representatives from each group. The important thing about this agreement is that it shows that there actually is a right-wing Lao movement operating in Thailand.

#### **Thai Border Security Problems**

91P30138A Vientiane PASASON in Lao 26 Mar 91 p 3

[Excerpts] Paklai is a district in Xaignabouli Province, more than 100 kilometers south of the provincial capital. It has 92 villages and a total of 57,870 people. [passage omitted]

The political, economic, and sociocultural spheres all have new aspects. However, the bad elements are still sending in agents to stir up unrest among the people in order to create secret bases for hostile propaganda that slanders our new regime's party and state policies.

Comrade Major Singkham Ounsi, the Paklai District military commander has told us that since 1988, while implementing Xaignabouli Province Administrative Committee's Resolution 1 on building strong grassroots political bases to date, we can say that the political and social order situation is basically quiet. This has made it possible for other work to be fruitfully consolidated and strengthened. Moreover, national defense and public security work has been improved step-by-step, especially the village public security service guerrilla units. [passage omitted]

## POLITICAL

### Racial Unity Seen as Key to National Unity

#### Politicization of Race Condemned

91SE0273A Selangor SIN CHEW JIT POH in Chinese  
15 Apr 91 p 31

[Editorial: "Need To Get Away From Politicization of Racial Disputes"]

[Text] When Li Yu Lung, deputy minister of national unity and community development, granted the correspondent an exclusive interview in early April, he analyzed the crucial reasons for the inability of the nation's people to achieve genuine unity. He said that both the party in power and opposition parties must bear responsibility for creating this situation. One week later, Deputy Prime Minister Abdul Ghafar Baba also stated that the rights and interests of all the country's nationalities are equal, and that the Chinese and the Indians are absolutely not second-class citizens. He further emphasized that there is no need for Chinese to become Moslems, nor are there any other subjective conditions limiting their opportunity to become prime minister.

The deputy prime minister said that government treats all nationalities equally and without discrimination. Bias in favor of a certain nationality, or deliberately excluding others is out of the question. It is hoped that outsiders will not continue to stir up racial problems. The deputy prime minister's earnest words merit our deep thought and consideration.

The 17 million compatriots who live in Malaysia are still made up of different peoples who differ only in the time of immigration. Thus, mutual exclusion should not be based on this reason. The reason for the ultimate evolution of these differences into racial conflicts is actually political. A careful observation of society reveals that so-called racial or religious problems generally do not exist in cultural and social life or in economic activities. Many families that have been fused through intermarriage live together. Among many classmates, fellow workers, teachers and students, good friends, professional colleagues, and partners in investment, not only are there no racial or religious conflicts, but even the above-mentioned differences are not keenly felt. However, once one rises to the political level, racial conflicts become a weapon that can inflict casualties. Clearly, racial conflicts are a politicized issue rather than a clash that truly exists in society, in culture, or in the economy, and they do not resemble the insoluble situation of hostility among races, religions, or social strata such as exists in some countries.

Of course, there is no denying that there were really some actions taken in the past under a racial form of government that made people feel unequal, such as in the education system and economic policies. Regarding the college enrollment quota system, Deputy Minister of Education Fong Chan Onn emphasized a while ago that,

in registering new university students during 1990 and 1991, the government abided by the agreement reached between the Malaysian Chinese Association and the Ministry of Education, namely that 45 percent of students would be other than Bumiputras. Nevertheless, a privately conducted survey report shows that when students were enrolled in six universities in 1990, only somewhat more than 3,000 of the slightly more than 10,000 students enrolled were of Chinese origin. In other words, only 30 percent were of Chinese origin. This is a very great discrepancy from the published government figure. Actually, the college entrance quota system should be further liberalized, or its abolition considered so that other nationalities do not feel neglected. However, some measures are being readjusted to make them conform to the trend of the times. Only so long as great strides continue to be made in the pace of democratization, as Prime Minister Mahathir said, will the old stereotypes be gradually demolished. This is the only way to use or to share among all races the fruits of the country's development. This must become the government's standard for administration.

Nevertheless, there is no doubt that, since the 1990 general election and the widening of political disputes, racial issues have become a sensitive tangle that political circles cannot unravel. Some use these issues as pretexts for defensive self-protection of their positions of authority, while others use them in aggressive appeals to expand their power. However, we see clearly that so far racial matters have been squeezed into a corner in top level political circles, and in that corner it is only some political personages in the circle who continue, as usual, to fool around with racial issues. So long as this issue is confined to political circles, it will do no serious harm to society. However, if there is any intention to use this issue to mobilize society, thereby causing the entire society to bear the evil consequences of an unnecessary polarization of races, that will be absolutely inexcusable conduct.

We believe that just when racial differences have become markedly blurred in all fields of socioeconomic life, and when society as a whole is also not so fussy or sensitive about racial topics, if any political personage attempts to fan racial conflicts once again, he will gain no sympathetic response from society, and he will be spurned by society. We maintain a very great amount of confidence in advances made in the melding of society and efforts whereby the people transcend race. We do not believe that politicization of racial issues will result in the generally serious social clashes and disturbances of the former "May 13th Incident." The trend toward pluralization of society and politics also generally strengthens our society's ability to avoid racial confrontations. Nevertheless, we worry that should this situation go on for long with the mobilization of races from top to bottom by either Bumiputra or non-Bumiputra political personages, and no matter whether by the party in power or opposition parties, it will become a hidden worry and an obstacle to the country's overall autonomy and harmonious development.

In appealing to individual political personages to make a self-examination, we also suggest the fundamental reform of various systems. The report titled "Malaysia: The Road Ahead" that the Prime Minister's Office is now studying says that, in order to build an advanced country that is more prosperous and unified 30 years from now, there can be no distinctions between Bumiputras and non-Bumiputras.

Attainment of this ideal will require, first, enormous impetus toward a more thorough pace of democratization, clearer outlines for economic and education system reform, and more explicit political renovation. We firmly believe that democratization is the only way to resolve and prevent any fanning of racial conflicts and efforts to politicize race. Longstanding political conflicts ultimately reach the point where they turn into appeals to racial conflicts, which also shows that democratization is not yet being completely practiced.

Second, the principals by which high-level political power is apportioned should also be thoroughly changed. Selection of people for a job on the basis of their race is in even greater need of eradication. Continuing to require a certain racial background for placement in a certain position must definitely be abolished. Only in this way can people avoid becoming the subject of gossip, and this is also the only way to rid political personages' minds of racial schemes.

Yet another administrative change that should be considered for adoption is one that begins with a revision of the household registration law. No longer should birth certificates and identity documents be required to bear racial identification. In all cases, place of birth should be the basis for registration. Not only will this remove unnecessary feelings attending racial designation, but it will also reduce hidden social factors that politicians can make use of.

#### Necessity of Racial Unity Analyzed

91SE0273B Selangor SIN CHEW JIT POH in Chinese  
18 Apr 91 p 23

[Editorial: "Work for the Unity of All Races To Maintain a Stable Political Situation"]

[Text] In his congratulatory message marking the end of Ramadan, his excellency, the supreme head of state, reminded the people of the country to be prepared for dangers in peacetime, drawing lessons from the tragedy of the Persian Gulf war. Prime Minister Mahathir also emphasized that, "in order for Malaysia to enter the ranks of advanced countries at an early date, we must safeguard the country's political stability and strengthen the bonds among all races." The prime minister also said that, "inasmuch as a country may be led into terrifying turmoil as a result of racial problems, we must cherish even more the existing atmosphere of social fusion." The supreme head of state's and the prime minister's earnest words merit our profound thought and consideration.

Since the 1990 elections for the National Assembly, and the formation of the new cabinet, the political situation has become clearer with each stride made in pace of reform. In leading the new cabinet which has been in office for the past half year, Prime Minister Mahathir has stressed the opening of domestic and foreign trade markets, has given impetus to industrialization policies, and has improved the efficiency of administrative agencies and the morale of government employees. He has also produced a national long- and short-range construction plan titled "Malaysia: the Road Ahead" for citizen's encouragement. Government authority has also tended to be used in positive ways. In particular, the Prime Minister's Office set up the "Commercial Council" to get the government and the public, as well as representatives of various parties, to work together toward common goals, thereby providing the people of the country a clear orientation for the country's future. All these changes and advances enable us to better build up strength and concentrate our will for another take-off in the course of moving toward being an advanced country, demolishing development bottlenecks, and opening up a new stage of development.

After maintaining high economic growth for quite a few years, per capita income now stands at more than \$2,000 per year, following that of Brunei and Singapore among ASEAN countries. The nation's future development prospects continue to look good. As the Prime Minister said, two factors determine whether national development will be able to attain anticipated goals, namely a stable political situation and racial unity. Racial unity also directly affects political stability and economic development. These are cause and effect, and they affect each other. In this regard, an editorial in this newspaper also said that we believe the crux of the problem of the inability of the people of the country to genuinely unite lies in being unable to get away from politicized racial disputes. The prime minister's special mention today of the importance of the unity of all peoples is, we feel, a necessary reaffirmation of this topic.

Frankly, the heightening and the spread of racial problems has become a major worry for political stability and harmony that must be properly reconciled. In particular, the expansion of political suspicions and jealousies, or clashes cannot be permitted; otherwise society will descend into endless turmoil.

Actually, the stirring up of racial factors once again has come about with political democratization. This is because, in the process of moving ahead with the democratic system in the National Assembly, a reapportionment of authority can scarcely be avoided, and the mechanism for this apportionment is the number of constituencies. In addition, current reforms in the various fields of politics, the economy, and education, as well as the redesignation of electoral districts in 1990 are basically advances in the direction of implementing democratic rights principles. The resulting political

system must also be founded in the concept of government by the will of the people. Moreover, in the development of government according to the will of the people, everything is determined by popular desires. If it is impossible to gain consensus and supporters through administrative achievement and devoted service, this lack of a foundation in popular will is bound to make it difficult to get hold of political resources. This is an irresistible political process. Faced with this trend of development, some people may be unwilling to open their arms in acceptance because they are haunted by racial feelings. Alternatively, because they cannot accommodate themselves to future power apportionment rules, or because they want to safeguard vested interests or prolong their special political authority, they oppose development trends. An examination of reasons for disturbances in other multiracial countries shows the existence to a greater or lesser extent of the foregoing reasons.

For this reason, we maintain that those engaged in politics may not use racial conflicts to sow political discord. In opposing the rapidly approaching tide of reform, much less can one think in terms of holding on to power. Moreover, the use of racial factors as a tool for political offense and defense in an effort to produce a checkmate, or ultimately to take the road of racial assimilation is conduct spurred by political interest that divides national sentiment. To proceed contrary to the democratic trend of events without regard for the rights and interests of other people is something about which those in politics should have a sense of responsibility.

The aftermath of the larger racial conflicts created since the outbreak of the "May 13th Incident" can be remedied only with time. When the old wounds have not yet healed, how can racial conflicts be stirred up again from a different direction. Those who truly ardently love society and care about the country's future will inevitably be unable to hardheartedly make a stupid move on this account that will create irreparable injury. It was with regard to this matter that the prime minister reminded the nation that only when society is peaceful and stable can peoples of all races live together in peace. However, we must be on guard against some politicians who may, out of short-term opportunism, manipulate the racial demon at every turn in an effort to gain the support of their own ethnic group as a means of seizing power. Therefore, the main goal must be kept in sight. The people of the country should not permit a division into "us" and "them" groups. They must categorically abandon racial feelings and dismiss all political appeals that have to do with racial feelings in order to avoid deepening the sense of crisis in other racial groups.

Some people may suppose that formulation of a "racial relations act" might help maintain existing unity and harmony. Actually, were it possible to draw up such a law, it would hold only paper significance. It would not be of any real help in uniting all peoples. To do this, everyone will have to make necessary changes in his or her outlook and ways of doing things, and take steps

toward reconciliation. First of all, all peoples must give up antagonistic points of view. The present internal social and cultural unrest stems mainly from sharp mistaken notions in racial thinking that everything divides into two. If we are to advance toward unity, such mistaken ideas, as well as the antagonistic behavior that stems from them, must be given up so as to avoid mutual irritation and to be able to treat each other with sympathetic understanding. Then there will be a recognition of common interests. All peoples in the fraternal culture must establish a sense of being part of a community that shares a common destiny, using this as a basis for our becoming an advanced nation at an early date. Last, there is a conciliatory cultural policy and orientation. Advancing national unity requires not only a clear orientation for cultural activities among the populace during the next 10 years, but the government must also actively adopt conciliatory cultural policies.

## ECONOMIC

### Changes in Trade With China Reported

91SE0274A Selangor SIN CHEW JIT POH in Chinese  
20 Apr 91 p 3

[Unattributed article: "China Permitted To Establish More Corporate Agencies in Malaysia; Import-Export Structure Rectified To Curb 'Cheap, Poor-Quality Merchandise' Problem"]

[Text] (Kuala Lumpur, 19 April) Not only has the Chinese Government been permitted to set up more corporate agencies for Chinese goods in Malaysia in order to better accommodate direct trade with businesses here, but it has also rectified the export structure in China, putting an end to the problem of "cheap, poor-quality export wares" that has been a headache for local businessmen.

Chen Zhixiao [7115 0037 5072], the commercial attache at the PRC Embassy in Malaysia, disclosed here yesterday that, when China conducted a rectification of its import-export structure, it decided to merge 1,000 export-import agencies. These abolished export-import agencies account for one-fifth of the total.

He said that "simultaneous with the reorganization of enterprises, China also instituted an export permit system whereby only products meeting certain standards and quality could be exported for sale.

"An additional step was the establishment of guild-style chambers of commerce to enhance coordination and control for the purpose of ensuring that overseas markets for China's products would not be chaotic."

Chen Zhixiao was accompanying visiting representatives of the China National Machinery and Electronics Industry Association. After holding talks with the Chua Ruimeng, Malaysian deputy minister of international

trade and industry, they replied at a press conference to reporters questions about the cheap, low-quality merchandise problem.

The principle members of the delegation included Bi Kefeng [3968 0668 1496], the deputy chairman of the standing committee of the Chinese International Trade Promotion Committee, and Qian Huiping [6929 1979 1627], the deputy secretary of the Machinery and Electronics Industry Branch of the Chinese International Trade Promotion Committee.

#### **Cheap, Poor-Quality Goods Problems Occurs in Numerous Countries**

At the press conference, Chen Zhixiao did not deny that the Chinese cheap, poor-quality goods problem is serious, and that it also occurs in many countries. However, he said that the Chinese Government has taken a serious view of this problem, and has adopted the measures necessary to rectify it.

He said that the problem of cheap, poor-quality Chinese goods has arisen because, since promotion of a policy of opening to the outside world in 1979, the number of exporting agencies has boomed, expanding from 12 to 5,000.

"The too rapid growth meant that exporting agencies did not properly look after the capabilities and experience of their staff members and workers. In addition, legal regulations did not suffice. As a result, this headache-causing problem of cheap, poor-quality goods occurred.

Somewhat earlier, Chua Ruimeng, Malaysia's deputy minister of international trade and industry, said that the Malaysian Government asked the Chinese Government to appoint more agents for Chinese goods in Malaysia. It has also requested the Chinese Government to look after the local agents for Chinese goods so that, in order to prevent vicious competition, they do not sell the same types of merchandise made locally.

He said: "I hope that China will appreciate the situation of the local agents. Once they get authority to act as agents, they must spend money to promote sales. If other traders get agent rights for the same types of products, this may occasion adverse competition."

In addition, the deputy minister also asked that the Chinese representative maintain competitive market prices for Chinese commodities. He said: "Currently, the Chinese Government is allowing business corporations to set commodity prices. Each independent agency has authority to set prices."

#### **China Is a Market With Extremely Great Potential**

The deputy minister noted that trade between Malaysia and China has grown rapidly with the signing of a trade agreement between Malaysia and China in 1988 and following the cancellation in September 1990 of restrictions on visits to China. He also described China as a

market with extremely great potential that local businessmen should develop well.

He said that China has leaped to 10th place as a trading partner with Malaysia. However, Malaysia's exports to China amount to only approximately 1 percent of China's exports. This is an insignificant amount.

During 1990, Malaysia imported 1.674 billion ringgits worth of products from China, up 40 percent from 1985. China's exports to Malaysia had a value of 1.561 billion ringgits, up 25 percent from 1985.

China is also the largest consumer of Malaysia's palm oil and palm oil solids. In 1990, China imported 559 million ringgits worth of palm oil, which was 15 percent of total exports. It also imported 174 million yuan worth of palm oil solids, which was 20 percent of the total that exported by Malaysia.

#### **Commentaries on Labor Shortage, Foreign Labor** *91P30147A*

[Editorial Report] In an 11 March commentary on Malaysia's current labor shortage, the Chinese language daily SIN CHEW JIT POH calls on the government to rethink its policies on importing foreign labor. The commentary predicts that the presence of foreign workers in Malaysia will cause economic, social, and political problems; among these will be a slowdown in industrial upgrading, a drain on domestic resources, and appreciation of the Malaysian dollar. In addition, wages are likely to go down and interest rates increase, leading to a more acute income distribution problem. Tensions between foreign and domestic laborers, the article says, could "sow the seeds of social disorder."

To deal with the labor shortage, the article calls on the government to restructure the economic order to ensure fair competition, to establish a system of industrial and commercial registration and control, and to institute and enforce strict immigration controls.

A related commentary from the 6 April SIN CHEW JIT POH discusses economic and social difficulties that could arise from a large-scale influx of foreign labor, including a slowdown of the transition from labor-intensive production to technical production, the social burden of foreign workers and their dependents, and a growth of crime. It argues that long-term social costs of foreign labor will cancel out short-term economic benefits. It also notes, however, that certain countries are putting "diplomatic pressure" on Malaysia to accept "a certain number" of foreign laborers. The paper concludes that the situation is potentially "extremely serious."

#### **Palm Oil Storage Planned in Venezuela**

*BK3004153691 Kuala Lumpur Domestic Service  
in English 1330 GMT 30 Apr 91*

[Text] Malaysia plans to set up a palm oil storage depot and refinery in Venezuela which will act as a central base

to launch the commodity into the Latin American market. The depot was among the several areas of trade and economic cooperation identified and discussed by the Malaysia-Venezuela Joint Commission which ended its two-day inaugural meeting in Kuala Lumpur. The site for the depot has yet to be selected as negotiations were still at a preliminary stage.

Secretary-General of the Foreign Ministry Datuk Ahmad Kamil Jaafar told reporters after the meeting that the creation of the depot was in line with the government's strategy of increasing palm oil sale in Latin America.

The meeting was jointly chaired by Foreign Minister Datuk Abdullah Ahmad Badawi and his Venezuelan counterpart Dr. Armando Duran.

**Aquino Asks Congress To Solve Election Problems***91SE0256A Manila DIYARYO FILIPINO in Tagalog  
22 Apr 91 p 8*

[Article by M. L. Novella and Omar Padilla]

[Text] Yesterday President Aquino ordered the House of Representatives to immediately solve the problems regarding the unification or separation of the upcoming elections next year.

The president announced her directive during her weekly TV program, *Ask the President*.

The president emphasized the importance of solving these problems in order to provide sufficient time for the Commission on Elections (COMELEC) to prepare the way for the holding of the elections.

According to the president, "It is important that Congress solve the problems in the shortest possible time so that whatever actions need to be taken can be studied, prepared, and implemented by the COMELEC."

The president also stated an additional reason for solving the problems, namely, "in order to have definitely clean and orderly 1992 elections."

The government is still not certain whether the 1992 elections will be held simultaneously (all at once) or separately. If there is desynchronization, then the presidential election will be held in May 1992 and the local elections will take place four months later.

In addition, the president said the following: "Synchronized elections would be much faster. However, there have been many complaints from some voters who think that writing more than 50 names on a ballot all at one time is just a little bit too much."

In connection with the elections, the president declared that she will submit the name of Judge Regalado Maambong, former member of the Constitutional Commission and of the National Legislature, to the CA, the Commission on Electoral Planning, under the banner of ex-President Marcos' party, the New Society Movement (KBL).

The president believes that the Commission will be neutral (objective) with regard to the inclusion of an opposition member.

Furthermore, Aquino hopes that the members of the CA will immediately agree to the nomination of Maambong "not just because of his excellent organizational ability, but also because of his competence."

It should be borne in mind that until now, there are still two vacant positions in the COMELEC since the retirement of Commissioners Leopoldo Africa and Andres Flores.

In connection with this matter, the president emphasizes that she will renominate Christian Monsod as COMELEC chairman.

The president reiterates her emphasis thus: "I'm renominating him because I believe in him and I have high respect for him."

In this regard, it is feared that the COMELEC will have problems in the presidential elections because of the large number of candidates.

According to Attorney Vicente de Lima, executive director of COMELEC, the Commission will encounter difficulty with regard to the apportionment of the ballots.

However, Lima gives his assurances that the COMELEC will try very hard to maintain public confidence in the Commission's credibility on the holding of an honest, free, and orderly election.

Senator Joseph Estrada and ex-Secretary Miriam Defensor Santiago of the Agrarian Reforms (Movement) were the first to register their political platforms with the COMELEC.

Senator Aquilino Pimentel was the next to do so.

Lima stated that this is the first time in Philippine history that there are so many aspirants to the presidency.

Meanwhile, Lima hopes that the National Movement for Free Elections (NAMFREL) and the National Peace Conference will be of assistance in the elections.

**Aquino Views Relationship With Imelda, Cojuangco***91SE0256B Manila DIYARYO FILIPINO in Tagalog  
22 Apr 91 p 2*

[Article by L. Novella]

[Text] Yesterday, President Aquino announced the possibility of a reconciliation with former First Lady Imelda Marcos and with her cousin Eduardo Cojuangco, but she stressed that this must be based on the principle of justice.

In her weekly TV program, *Ask the President*, Mrs. Aquino said: "It is natural for relatives to sometimes resent each other, but then again, this too will simply go away after a short time."

Mrs. Aquino added, "It looks like there will be a reconciliation; however, I want to stress once again that it must be based on justice."

Mrs. Aquino also said this: "As a true Christian, I have to demonstrate that I deal properly with my fellow human beings, especially if the person involved (Cojuangco) is a full cousin."



In addition, Mrs. Aquino offers the hand of friendship to Mrs. Marcos because, as she puts it, "As president of the Philippines, it is my duty to look after the interests of the citizens."

The president went even further to say the following: "However, in consonance with my responsibilities and with my being a Christian, we also cannot just eradicate the word justice."

In this connection, Mrs. Aquino proclaimed her bitter frustration with the government's attempts to reclaim the allegedly stolen wealth of the Marcoses.

Mrs. Aquino added, "I want the proceedings to go much faster, and I also wish that much more money will go to the Filipinos."

The decision of the Supreme Court (SC) to get back what is termed "ill-gotten wealth" was a big blow to the government's perseverance when Mrs. Aquino's cousin was allowed to return to the Board of Directors of the San Miguel Corporation. [as published]

David Castro, Chairman of the Presidential Commission on Good Government (PCGG) stated that they are going to appeal the decision of the Supreme Court.

The president stated, "I'm hoping that the motion of reconsideration that we will initiate will be beneficial, especially when it comes to the issue of the ill-gotten wealth of the Marcoses."

Mrs. Aquino said that she is waiting for the return of General Prosecutor Francisco Chavez from Switzerland in order for the government to definitely ascertain the terms of the criminal case to be brought against the former first lady of the nation.

The Swiss Federal Court ordered the government to bring criminal charges against Mrs. Marcos before the month of December in order to reclaim the wealth assets deposited in Swiss banks.

The president is sending Chavez to Switzerland because the government does not fully comprehend what the Swiss Court specifically means in its statement on the charges to be filed.

## POLITICAL

**Personalities in Pro-Suchinda Political Maneuvering**

91SE0236A Bangkok SIAM RAT SAPDA WICHAN  
in Thai 14-20 Apr 91 pp 9-10

[Excerpts] [passage omitted] One thing worth considering in depth is that if the political factors change and if the Constitution is changed to allow an outsider to become prime minister and to allow regular government officials to hold political positions, regarding the reports that the "new party" is being formed to pave the way for and support General Suchinda for the position of prime minister, then the political path in the near future is almost a certainty. Gen. Suchinda won't have to dirty his hands by becoming party leader. The establishment of the party to provide support is just one way. This shows that those who want to serve as political leaders won't have to be elected officials. But concerning democratic fairness, they will still have to have the support of a political party in Parliament. [passage omitted]

A news report stated that reports that an important "coordinator" in the new party is carrying on activities aimed at paving the way for a CRMA [Chulachomklao Royal Military Academy] Class 5 officer who is to become the center of the new party, as SIAM RAT SAPDA WICHAN reported in three previous issues, are correct. The important person who is serving as a "facilitator" in bringing together former MP's [members of Parliament] from several political parties to form the new party to support CRMA Class 5 is Group Captain Thiti Nakhonsap, a member of Air Force Academy Class 3, the same class as Suthep Theppharak and Samat Sotsathit. Even though Group Capt. Thiti has resigned from government service, he is still close to Big Te and other important CRMA Class 5 officers in the three military branches. He has frequently carried on "political" activities for Big Te.

Thiti was one of those who coordinated things between the military and Ban Ratchakhru. Another person involved in this was Air Marshal Sombun Rahong, the godfather of the Airport Authority, who is very close to Ban Ratchakhru.

"Of the members of CRMA Class 5, or put another way, Class 0143, Group Capt. Thiti, who is now the chairman of the Thai airport and president of the airport authority, has coordinated things between the important people in CRMA Class 5. This includes Gen. Suchinda, Gen. Isaraphong, Air Chief Marshal Kaset, Wichoet Karun-awanit, the Navy chief of staff, and Prida Kansut. Group Capt. Thiti is very close to all these people," said a news source in military circles to SAPDA WICHAN.

Another news source said that, in the wake of the coup, when the members of the Legislative Council were chosen, some of those on the list, including almost all of the civilian members and those who were former MP's, had to be approved by Group Capt. Thiti.

"As for the formation of this new political party, at present, the focus is on former MP's from various parties. They form the base of the new party. Today, there are at least 72 such people. Even some of those who once expressed the intention of joining the New Hope Party are now waiting to see what happens and have said that they plan to join the new party," said the same news source. He added, "Keep an eye on former MP's who have been appointed to the Legislative Council and who are members of the subcommittee to draft a constitution. These people have ties to Group Capt. Thiti."

A news report stated that the Pa Theng and Pa Wat, Sawat Khamprakop, faction in the Solidarity Party is planning to join the new party (this group has about 20-30 members). The coordinator is Phinit Chantharasurin, a former MP from Lampang and the "right-hand man" of Pa Theng. At the same time, a large group of former Thai Nation Party MP's led by Sukhum Laowan-siri, who has been appointed a member of the Legislative Council, went and presented flowers to the NPKC [National Peacekeeping Council]. It is thought that this group includes about 35-40 former MP's. Besides this, others include former MP's from the Ratsadon and Thai Mass Parties, some members of the Democrat Party, particularly well-known MP's from the northeast who belong to the Niphon Phromphan faction, and MP's from various other parties, including people who had split away from the Social Action Party. [passage omitted]

A news source said that, today, along with forming the new party to pave the way for Gen. Suchinda to become prime minister, instead of eliminating the competition from other parties, the "conciliator" of the new party has employed the stratagem of isolating the New Hope Party as the only competitor. As for the other political parties, the power of the "leaders" has been curbed. Moreover, the "money bags" of the various pockets have been "sequestered." Thus, they pose little danger. But they cannot be ignored, because the enemy party might use them as allies. Thus, another important strategy being used by the new party's "conciliator" is to coordinate things with the leaders of those parties in order to prevent them from forming an alliance with the New Hope Party. Thus, there have been reports that even though Mr. Banhan has assets valued at 700 million, there is insufficient evidence. Thus, chances are very good that he will return and play a leading role in reviving the Thai Nation Party. This is a very reliable piece of news.

Also, a key man in the Thai Nation Party, that is, Air Marshal Sombun Rahong, is an important coordinator and so relations between the new party and the Thai Nation Party are very close. Relations between these two parties are much closer than relations between the Thai Nation Party and the New Hope Party. Thus, it is not surprising that Gen. Chawalit has asked that the Political Parties Act be revoked. But so far there has been no response from the "Bigs" in the NPKC. Thus, the only "Big" in the NPKC who clearly supports Gen Chawalit

is Big George, a fellow member of CRMA Class 1. Gen. Suchinda, on the other hand, has remained very aloof. [passage omitted]

### **Ukrit Comments on Constitution, Voting**

*91SE0235A Bangkok KHAO PHISSET in Thai*  
8-14 Apr 91 pp 14-17

[Interview with National Legislative Assembly President Ukrit Mongkhonnawin, date and place not given]

[Excerpts] [passage omitted] [KHAO PHISSET] How much pressure did they apply about the proportional voting?

[Ukrit Mongkhonnawin] There was no pressure. It was just in the media. The truth was that we had to speak to the people. It was a matter of revealing this thinking so that the people could think about it.

The system being recommended is a system of proportional voting which is being combined with a system of one district, one person, or of one man, one vote because some provinces elect only one person. This might be taken as proof that the system of one man, one vote that is left will bring about vote buying, but the system of proportional voting will make vote buying difficult. We do not have any hopes for 100-percent participation in politics—70 to 80 percent will be sufficient. Initially, people will just be getting accustomed to the system. We would still like to see the proportional system because it will allow good people in the country to join in the work. Every group will have representatives in the legislative assembly. There will be no elimination of the many good people who have lost in elections.

In the three member district systems if one team gets 10 percent and the other five teams get 40 percent, the team with 10 percent wins and enters the assembly with three members, but the other five teams with 40 percent of the popular vote do not have the right to enter even one member. This is not fair. Those who entered the assembly as a result of the vote buying by a small segment and then forgot themselves and said that they were representatives of the people, actually were not. How could they be representatives when there was vote buying? They were not given power by the people, but became representatives because of vote buying. But suppose the proportional system is accepted. Those who enter the assembly will be representatives of the people. This is my fondest dream. If it is achieved so much the better. If not, then I will forget about it because I do not intend to be in politics.

[KHAO PHISSET] If the election process is primary, is the question of the separation of power secondary?

[Ukrit] Yes, it is secondary, but people are making it primary. They do not understand what is important. If we corrected the election system and the methods used in elections, then the question of the separation of power would no longer be a problem. As it has been discussed,

this is a separation of duties, not a separation of powers. People are confused when they make the secondary issue of the separation of duties the primary issue when the primary issue is how to conduct clean, just elections. If we conduct clean, just elections, we will get a good assembly which will not be very concerned about the separation of duties. If they see that the separation of duties makes the administration better, they will not feel that it is harmful.

The people are now confused about this issue. Its image has become that of a threatening giant, hasn't it? But it is really secondary. It is more a separation of duties, namely, should an MP [member of Parliament] become a minister or not, should an MP become a political official or a secretary general and use power in an improper way, should an MP be able to influence the budget unfairly so that more funds go to his province than to others at a time when he was in charge of the government as both an MP and a member of the government. Wouldn't it be better to have someone else? In our system it would be someone from one's own party—a person from one's party would be chosen to be in charge of the government. If he wanted to be in the government, he would have to give up being an MP. Suppose there was an election district where there was only one member. We would have a secondary representative from the same party. When Mr. A was elected, Mr. B would be the secondary. When Mr. A could not be the representative, then Mr. B would become the representative. This would be like the French system in that each individual would not have various duties at the same time. Wouldn't this be better? But now the situation is very confused.

[KHAO PHISSET] To summarize what we have heard from the leaders of the NPKC, could we say that the new constitution will definitely specify the separation of duties which you have described?

[Ukrit] As far as I have heard, that is the case—if I have understood correctly the thinking about the clean, fair election system being primary. This could change because they do not now know how to set up this election system. But if they agree and feel that they will get good representatives and a good government, then it would become the secondary issue. This could always change because they must listen to popular opinion and because this is being done for the people. We probably will not be able to set up a model for it beforehand—wouldn't someone suggest a different model which would be suitable for our country?

[KHAO PHISSET] Which system is more likely to succeed, the one man, one vote system or the proportional system?

[Ukrit] I don't know. I know that the one man, one vote system cannot solve the problem. I have always insisted that it would be more difficult to achieve than the last system. Look at it this way. If there are 150,000 people and no more than 50 percent vote, that would be 75,000

votes. Suppose there are 10 candidates. If we got just 32,000 votes, we would definitely win. The other nine would not. If one could get 300 campaign workers who would each get 100 votes, wouldn't that win the election? Think of the cases where they have invested tens of millions. One only needed money to get in the assembly. But no one knew where the money was coming from. Will we accept that? If I were a candidate, I could be sponsored immediately with vote buying and money; if I were not ashamed, I could become a representative at any time. I was concerned when I was president of the assembly that the representatives would compete as candidates. If during a meeting they got into competition with each other, what would we do?

[KHAO PHISSET] Is it possible that, in changing the constitution, there will be such problems that you will have to use the old constitution and correct it?

[Ukrit] There is only a 5 percent chance of that. There is very little chance of that. But as lawyers we must be careful to always have a way out. I definitely do not think that this will happen, but we are preparing a way out. If we don't, there will be another revolution. At worst it might take another 120 days. That would be the second stage.

[KHAO PHISSET] Could you give us a definite sequence of events stating how much more time it will take until there will be an election.

[Ukrit] On 4 April the 20-member commission for drafting the constitution will be chosen. They will take about five to six months. They could take only two or three months, but the constitution will have to be presented to the legislature; it should be promulgated within six months of today. This means that, within nine months, by the end of this year, there will probably be an election. For there to be an election by the end of the year, it can't rain on us. If there is an election in December, the legislature will have a government as a New Year's present for the people. I think this is possible. The 20-member commission does not have to take a year, and the legislature does not need a year to consider it. If the commission and the legislature allow themselves just six months for the constitution, then there will be three months for the election.

[KHAO PHISSET] If there are six months to adopt a constitution, will the legislature or the commission take more time?

[Ukrit] I understand that the commission will take more time.

[KHAO PHISSET] After the commission has drafted it, the 292 members of the legislature will vote to accept it or not.

[Ukrit] That is correct. If it is accepted the commission must accept amendments to correct various sections. This would be similar to considering a law which has been accepted in principle. If it is not accepted in

principle it must be drafted again. Or if it is accepted in principle and amended but the final draft is not accepted, then it must be drafted again. This should be done in six months. If it is not ready, there could be a 120-day extension—this does not mean that they must take 120 days, but that it must be ready within 120 days. The time frame could be extended by that much. It could be extended to January, February, March, and April, but could not be extended beyond April. This would be the second stage. If we had very bad luck, could not agree, and could not produce anything, then the legislature would have to be dissolved, and the NPKC assembly and the cabinet would dust off a former constitution, make corrections and promulgate it within 30 days.

[KHAO PHISSET] What is the future of the administration, especially the position of prime minister, under the new constitution?

[Ukrit] I understand the position of prime minister will be as it was under the 1978 Constitution. It will probably be opened up, meaning that it could be anyone that the legislature approves. I think that would be the best system. If we still keep the legislative system, the support of a majority of the MP's would make a person prime minister. There is just this question: If someone becomes prime minister, should he still be an MP or should he still be a permanent government official? I do not feel that he should be. If he is a permanent government official, he should resign beforehand, and if he is an MP, he should resign beforehand. This would apply also to other political officials and not just the position of prime minister and minister. It would apply to any political official chosen in any way, because political officials such as secretary, minister, adviser, and so forth, work with political officials. It would not be democratic if it were not done this way. Permanent officials will not be allowed to wear two hats. We must be fair.

[KHAO PHISSET] Is it fairly certain that permanent officials who are also political officials will have to resign?

[Ukrit] Permanent officials and all people may exercise their election rights. But they must resign from government service if they become candidates. If they enter politics, they should resign. Therefore, if they enter the government as political officials, they should resign as permanent officials. We should not be officials of both kinds at the same time. This could really be called a separation of duties under the constitution whereby the administration has separate duties. If someone is a minister, he cannot be an MP. This has been settled—there were no objections. If they ask where they can get good people to be ministers, they can choose them. It also states in the constitution that those in the administration and ministers cannot hold positions in private business. This has also been settled. This is the extent of the temporary administrative constitution. They are resigning rank after rank.

[KHAO PHISET] There have been reports of demands for the end of martial law. Do you think the time has arrived to lift it?

[Ukrit] If everything is in order, they will probably lift it. As far as I can tell now, they are not using these powers at all. Only at the beginning did they use it at appropriate moments. I understand they will lift martial law when it is no longer necessary. When they lift it, they will also probably end the censorship of newspapers. When it is so advised, I will agree immediately. It is now the way it was. When you see that everything is in order and they are trying to allow every group freedom, then it is the way it was before. It is if we are not under martial law. Now I can speak frankly and do not have to please anyone, and so I feel as if there is no martial law. It is like criminal law. If you steal someone's property, it violates criminal law. But if you do not violate criminal law, nothing is going to happen. [passage omitted]

[KHAO PHISET] If the new constitution turns out to be the way you have imagined, will you be a candidate?

[Ukrit] I will have to think about it. If it is a good system and works well, I probably will not stay in politics. I would prefer to be useful in some other field. This would give someone else a chance to work for the country. I have been in politics continuously for almost 20 years. This would give someone else a chance to serve the country. I would simply say that I do not have any aspirations. I have been elected president of the Legislative Assembly for three consecutive terms and have used up the time that I can be an MP. This term is extra. I was elected unanimously almost every time. What more can I do?

[KHAO PHISET] When they look for someone to be prime minister, people expect it will be you. But that may not be correct. A large number of the KHAO PHISET readers who have phoned have asked what you are going to do. You will have to answer that.

[Ukrit] Would it be appropriate for me to be prime minister under this system? I might if it were just for three months. During the time that I have been president of the Legislative Assembly have I accepted anything that was not right? Have I accepted a loss of dignity? KHAO PHISET knows what I am like. Have I been in four-posted houses and houses here and there? But under this system I would have to work under the NPKC committee. The NPKC committee would be the employer. They are taking the chances, and they will hire the contractors. When they look for a prime minister, they will hire a contractor. We would have to work under them. We would not be able to be proud of ourselves. Therefore this opportunity is not an opportunity to serve the nation on our own terms. Whatever we think, it is necessary to have a prime minister, and we must have a good person. I admit that the prime minister is a good one and that the government is good, but I might be better off in the Legislative Assembly. Do you understand? [passage omitted]

### Ex-MP Surin Criticizes NPKC

91SE0234A Bangkok SIAM RAT SAPDA WICHAN  
in Thai 31 Mar-6 Apr 91 pp10-12

[Interview with former Democratic Party MP Surin Phitsuwat; date, place not given]

[Excerpts] [SIAM RAT SAPDA WICHAN] You have seen the list of the MP's [member of Parliament] for the nation. What do you think?

[Surin Phitsuwat] I am not surprised because it is not really a legislative body as it is called. If it were a legislative body, the members would have been chosen to be legislators. As it is now, those chosen do not have the interest or legislative expertise to be legislators, and that is not their function. Their function is to sanction the ideas and regulations of the governmental committee, which is under the National Peacekeeping Council [NPKC]. This body is in control. [passage omitted]

[SIAM RAT SAPDA WICHAN] Did you receive any communications about being an MP also?

[Surin Phitsuwat] No. I just read about it in the newspapers and heard about it from reporters. I was not contacted and did not consider it.

[SIAM RAT SAPDA WICHAN] There has been criticism that the former MP's who were appointed were not really experts on the law. Some had the image of having bought votes.

They were not chosen to be legislators as they are called. It is a legislature in name only. It will never propose legislation, draft bills, or question proposals concerning problems of the people because this has all been taken care of by the NPKC. The ministers under the NPKC do everything. The legislators just sit and wait for the ideas or regulations that the cabinet and the NPKC have approved of and passed on for the legislature to sanction or not. The opportunity not to sanction will be quite limited. [passage omitted]

[SIAM RAT SAPDA WICHAN] Since political thought is limited under martial law, how can the new constitution be democratic? [passage omitted]

[Surin Phitsuwat] I understand that it will be drafted in such a way that there is a separation of power and MP's cannot be ministers, but permanent government officials can be ministers. This would be another form of dictatorship. It could be called the dictatorship of "government officials." The old system could have been called a "legislative dictatorship." What is being built now, I think, is a "dictatorship by government officials," which we have had in the past.

[SIAM RAT SAPDA WICHAN] Will this separation of power and with elections based on one man, one vote solve the problem of vote buying and withdrawing funds?

[Surin Phitsuwan] Before we say that this will prevent vote buying or not, we must analyze this separation of power that does not allow legislators to have any personal connection with administration so that MP's may not be ministers or hold political positions. What this means in practice is the separation of the people from politics. The villagers choose representatives to conduct politics and choose the administration to set policy. But the political process is ended when the legislature is closed, and the people have no opportunity to control the actions of the administration. [passage omitted]

I therefore say that if MP's are not allowed to be ministers then the people lose, and if permanent officials can become ministers then the people lose again. The people will have no one to watch over the officials and remove them. When one is a permanent official, one is employed for life. One advances every year if one does nothing wrong. My group would promise that they would be hired for not more than four years at a time. If the villagers were not satisfied, they could be fired. They could be checked every four years. There is no system for checking permanent officials. I think that it is politics that is being ended here. In summary, because the system is designed to serve itself and hinder others, there will be no politics, no "give and take," no pressure, and no giving in to pressure. It will not be beneficial to the people.

[SIAM RAT SAPDA WICHAN] It is said that if the election system is changed, it will make the party of the government officials stronger.

[Surin Phitsuwan] We probably should not go so far as to use the term military party. It would be better to use the term permanent official. In the past the permanent official system has had problems in all areas. The important consideration for it was its own appetite and finding resources for itself. It did little to solve the people's problems.

It became a system which served itself and not the people. We tried to get more resources from the system to serve the people by recommending projects, policies, and propositions because we knew first-hand from villagers, who generally live in the countryside, what their problems were and would have used the resources for them. I believe that the 1992 budget is a budget to serve the system, to beautify the cities, and to raise the standard of living of the government officials. I know that part of the budget which was not used by the MP's and which was seized will be used to increase the salaries of permanent officials so that they will work to be more perfect officials and prepare themselves to become "the dictatorship of the officials" (bureaucratic dictatorship).

The crucial question about the separation of powers is, now that they are separated, where will the administration come from? In the U.S. system the administration is elected directly by the people. In the French system the MP's are not allowed to become ministers or prime

minister. The prime minister is appointed by the president, who is elected directly by the people. Therefore, both the legislature and the administration are based directly on the people even though they are separated. Under our system it is accepted that the prime minister is to be directly elected. The next question is how the administration will be chosen. In the future the expression of popular will through an elected parliament will end. It will be the expression of the permanent officials in another assembly. What this assembly will be called is uncertain because it has been specified that the members do not necessarily have to be MP's but can also be permanent officials. Under these circumstances there is no system for the villagers, the seat of sovereignty, to control the government. [passage omitted]

[SIAM RAT SAPDA WICHAN] If the new constitution involves this separation of powers and specifies one man, one vote, will you be a candidate for MP?

[Surin Phitsuwan] At present we still do not know how much power they will allow the representatives of the people in the coming system to have. If I should join in and then not be able to do anything, not be able to express my views, have no part in making policy, but be under the leadership of the permanent officials, then I would be failing to follow the intention of the people, who want their representatives to serve the country for them. If it is going to be like that then I could find some better way to serve the people than to be in government. Would it not be better to be a businessman finding markets for the villagers' goods or to be a reporter who acts as a voice for the people?

What causes concern is that these events have caused those people who gave 100 percent in politics to be uncertain because they do not know what is going to happen to them and the system. Expressing one's sincere opinion is necessary for politics in a democracy. Democracy is like a free market—what is good stays and what is bad goes. Being able to express one's sincere opinion completely is a necessary condition for democracy. In the past many people in Parliament have given 100 percent and have said exactly what they thought. Letting the villagers decide is something that requires sincerity and the sincere expression of ideas and beliefs. What the villagers do not accept is dropped, and what they do accept gets a majority of the votes. They have a duty to set policy which serves the country. It is almost the moral duty of the politician to apply himself 100 percent.

I do not believe that the situation which will arise under the system being built will attract politicians who give 100 percent. Because if we give 100 percent, we will not know what will happen to us even though we are sincere. When such circumstances arise, we do not have anything to fall back on and it is very disconcerting. To find new work one must have a profession. When one begins again, employers ask how long one is going to stay. How much can one adjust to the system? I believe that in the future the politicians will not give 100 percent. After a while it will have the effect of making the leaders who are

professional politicians uncertain. They will hold back and not express the ideas which the villagers have the right to hear. The end of professional leadership in politics might be the real purpose of the NPKC assembly.

[SIAM RAT SAPDA WICHAN] It is said that the business of politics has taken on a new form now, and the cabinet is the big boss of all big business.

[Surin Phitsuwan] I have similar concerns because there are no checks and balances and there is no motivation. The longer we are under martial law, the worse it will get. If I were in the government, I would not be very proud to work under this system because no one could contradict me. If I wanted to indicate my capabilities, I would point out that these are recognized by many governments and many international companies in this country because I have served them. I call on the government to end martial law and to demonstrate their skill in an atmosphere of democracy. Anyone could do what they are doing because there is no one to contradict them under martial law. Under democracy it would be another matter. [passage omitted]

[SIAM RAT SAPDA WICHAN] What do you think is the future of democracy in our country?

[Surin Phitsuwan] I am concerned because many give lip service to democracy, but it has not really soaked in. They are not willing to accept disagreements. They feel that disagreements indicate confusion. They do not understand that disagreements are essential to the democratic process. If one loves democracy, one must accept disagreements, be patient, learn to wait for the right occasion, accept the power of the people, be willing to use methods that are accepted and democratic to solve problems, and be willing to let the people study, examine, change, and criticize. One must not make decisions for the people without their participation. This is a difficult problem which will take time, there is no other way to deal with it other than to let the people study the disadvantages and advantages of various solutions. We could have complete democracy with a king as leader. [passage omitted]

Students and members of the mass media perform this function in Thailand. At present the Democratic Party is preparing to do battle in 1992, which will be the 60th year of democracy. The election must be clean. I believe that there is a general impression that the recent seizure of power was the result of vote buying. Therefore in the future the villagers will remember not to get involved in this. We must struggle throughout the country. Priests, teachers, and government officials have an important role to play. We do not have the right to complain afterward that rascals and godfathers were becoming ministers if we did not do anything about it when we could have—if we did not vote when we could have. If we wait until this group is in Parliament, it will be too late. If we let them in Parliament and then try to block them, it will not work. If they get into Parliament, they

can become ministers. If they get a majority, they can buy the party. MP's will be like foot soldiers. There are 44 ministerial positions. Get 44 investors and buy the party. It is not necessary to run around and buy votes, because MP's cannot be ministers now.

[SIAM RAT SAPDA WICHAN] What direction do you think politics will take now?

[Surin Phitsuwan] I do not know, but I am uneasy. [passage omitted]

[SIAM RAT SAPDA WICHAN] What is the atmosphere in politics now?

[Surin Phitsuwan] I think that people were not satisfied with the direction of the government before it achieved enough to give the feeling that it could correct one problem. But this feeling will disappear quickly, and people will feel as they did before depending on how much freedom they have to express their views. If they have no such freedom, they will feel that this government does not belong to them, Parliament and its policies are not theirs and the administrators are not theirs. This will create additional problems. [passage omitted]

#### **Parties' Financial Resources, Backers Described**

*9ISE0233A Bangkok KHAO PHISSET in Thai  
25-31 Mar 91 pp 14-18*

[Unattributed report: "The Separation of Power, the End of the Business of Governing"]

[Excerpt] [passage omitted] **The Phak Chat Thai [Thai National Party]—"Financial Resources Stretching to the Horizon"**

The financial resources of this party "stretch to the horizon." In addition to the textile industry which Police General Praman Adireksan controls like a godfather, this group of master officials has connections with the top 10 "business groups." For example, they have connections with the "Sifuangfung" group of the Thai Asahi consortium, which is a joint venture with a large Japanese investment group.

It is said that "Bunsong Sifuangfung" was important in organizing big businessmen to set up the Phak Chat Thai. It is also said that these businessmen had "big" names in business such as "Techaphaibun," "Phan-itchiwa," and "Uachukiati."

However this business group did not want to have a big role in the party. It was enough if the master officials would help out in certain areas.

Wan Chanchu, the former president of the Parliament when "Nachat" was Prime Minister has had connections with the master officials through "Techaphaibun" and "Sifuangfung" for some time.

In addition, the financial resources of the party include the "ATM resources" of a person called Banhan Sinlapacha. These grew out of a pipe-laying monopoly started in 1969. Later he made three fortunes and became party secretary in 1979. Through the efficiency of his "ATM" power the party took 106 seats in the Parliament in 1983.

At present Banhan's most valuable business, aside from the caustic soda and chlorine business of the Sahasichai Chemical Company, is the one he described to a close friend as follows: "politics is like building hotels; when I build a 140-room hotel and make a profit of 1 million per room—140 rooms, 140 million... it is valuable."

Another similar resource is that of the "Nomnaem" of Pramuan Saphawasu. Nevertheless he was modest about his portfolio in an interview with the newspaper SIAM RAT. He said that if one compared his riches with those of Banhan, he was like the dirt under his nails. "But, as for generosity, I am like a river."

This portfolio grew out of a construction equipment monopoly called "Warawong, Ltd." He has about as much money as Banhan. Before the 23 February coup there were rumors that he would become party secretary instead of Banhan until he took his "personal mosquito net" with him to build new hopes in another party.

In addition the Phak Chat Thai also has numerous rich supporters in the provinces, such as Kon Thappharangsi, Supsit Techatanon, Wirat Ratnaset, Anuwat Watnapongsiri, Chuchip Hansawat, Udomsak Thangthong, Sena Thiamthong, and Sukhum Laowansiri (who led a group of MP's [members of Parliament] in presenting flowers to the NPKC [National Peacekeeping Council] after the coup).

If all the shares and partnerships were combined in a business, the party would have "resources stretching to the horizon"—more than anyone else.

However it should not be overlooked that after the second purge of master officials any day now, all the rich supporters will be keeping low and testing the air. They will wait and watch when politics starts up again to see whether the "resources" are as thick as ever because "business" instincts are "quick" when it comes to making a change.

#### **Phak Kit Sangkhom [Social Action Party]—"All the Money?"**

In the past most of this party's funds came from "sia" [rich Chinese] Surat Osathanukhra and "sia" Phong Sansin. But there was a disagreement over principles with the Montri Phongphanit group and so they withdrew their money and hopes and founded a new party called the Phak "Prachathipatai" [Democratic Party].

The important faction and financial base which was left was that of "Siamontri." His business was a rice mill in Ayuthaya, and he had a close relationship with the

German Alumni Association of which Santi Phirromphakdi of "Bunrot Brewery" is an important member.

And one should not overlook this party's important financial base in the provinces, namely, Chaisiri Ruang-kanchanaset, Prayut Siriphanit, and the fisheries group of which Phairot Chaiyaphon and Chia Kokphon are important members.

Another person with a strong financial base and great generosity similar to that group was "Kamnan Pa," Somchai Khunplum. He was well-known in the east and did a big business as an liquor agent for the Suramharatsadon Company. He was also in the hotel business, shrimp business, and real estate business along the eastern seaboard. The latest news is that "Kamnan" might switch and help the "new hopes" of another party. He is apt to help friends if they ask him.

It is uncertain if the Phak Kit Sangkhom will regain its former strength because the departure of the founding group led by Surat and Phong has reduced the "buying power" of this party.

#### **Phak Prachthipatai—"It Is Getting Old, But It Still Has Fire"**

It gets financial support from many well-known pockets, such as, "Chao Sua," Phichai Ratfakun, the owner of the Yaowarat Company and the First City Investment Company.

It also gets support from "Idi Chuap," Prachuap Chaiyasan, the president of the Slot Company, which has been very successful in sending labor to the Middle East and also does business in caustic soda and agriculture and has a great deal of land near Rangsit.

It gets support from Nippon Phromphan, the owner of a great deal of land in Bangkok and the owner of two saw mills in Nong Khai. Nippon knows how to coax one of the "big wheels" in the NPKC and so it would not be surprising for him to become a member of the Senate with 13 other former MP's. Nippon is more famous as a heavy investor in elections. He said in an interview that he did not dare to close the accounts on his election spending in 1986 because he was afraid that if he saw the actual figures for how much he spent, he would feel bad. He was so far ahead of the average big spender that, after he was elected to be an MP, he kept on repaying people and providing tractors, free on demand, to serve his campaign workers and villagers.

We should probably keep an eye on his role in the "green chamber" to see if he has some solution to the problem of vote buying to propose to the Parliament. If he does come up with something, it will probably be very effective in preventing vote buying.



Another group which people are apt to overlook is the "boss" group of Chuan Likphai and Banyat Bantathan. They are the essence of professional politicians, are sincere about democracy, and are opposed to vote buying.

But there are rumors that this group has received the support of local funds, in particular, the "five tigers group of Surat" and the para rubber godfathers.

There are these rumors, and even if they are not as loud as the ones about Mr. Chuan having a wife and children and not being single as was understood, still some day they will have to clear the air because it affects the confidence of the people.

**Phak Ratsdon [Citizens Party]—"Staying or Going?"**

This party is probably not finished yet. The head of the party, General Thianchai Sirisamphan, felt hurt that he was on the list for the property attachments of the NPKC—even though he "had diligently tried to do good for 40 years, he had been smeared as a result of political persecution." Therefore he announced that he was washing his hands of politics "completely." He would probably like someone to advise him against it.

When General Thianchai announced that he was washing his hands of politics, he said that he was not a rich man but engaged in politics because a "party" supported him. And this "party" was...

General Thianchai had a good relationship with the Asia Bank and had stock in it. In addition Kiati Uachukiati, a member of the party administrative committee, had a great deal of stock in this bank.

Wisani Phatprasit, the owner of the Damoll Store and the "Khruhas Sam Rudu" on Wiphaodirangsit Street and the owner of an investment company with a headquarters in Nakhon Sawan, was a big financial backer in the 1988 election. He covered all the debts for this party in that election. Elections cost him tens of millions.

Now Wisani is deceased, and Kiati Uachukiati has taken his place as the important backer.

As for the northeast, Charoen Phatanadamrongchit, "Sia Leng," a well-known person in Khon Kaen and the northeast, had a great deal of money and was very generous in his support of MP's in the Phak Ratsadon of the northeast. The role of "Sia Leng" in the Phak Ratsadon is similar to that of Kamnan Pa in the Phak Kit Sangkhom.

What we should watch for in the future now that "Big Thian" has washed his hands is whether the Phak Ratsadon will stay or go. This is a more pertinent question than whether the party returns to where it was or grows.

**Phak Prachakon Thai [Thai People's Party]—"Going or Staying?"**

This party is also trembling after "Omak," Samak Sunthornwet, announced that he was washing his hands of politics because he "lost interest" after the NPKC attached his property even though he had been a minister in the "Chatchai 2" government only for a few months and did not have an opportunity to "sign for projects" except for one. Therefore, for Omak it was more a case of lost interest more than that the announcement of the list of names of those whose property was attached was a political death blow. So he announced that he would give up politics, but party members would not accept it.

The financial support for this party, aside from coming from "Omak," who had some funds, also came from "Sia Talat Hun," Koson Krairuk, who had become very rich on the stock market. There was also Yong Aricharoenloet, the owner of the Chaophraya Cold Storage Company, Ltd., who also supplied funds to the party. There were probably many other sources who wanted to keep quiet.

In addition to the political stain of having property attached by the NPKC, Police General Chalongsimuang was the head of the Phak Phalang Tham and held the position of governor of Bangkok by constantly hoarding votes in this area. And so in the future the Phak Prachakon Thai will probably lose a great deal of ground in Bangkok to "Maha."

**Phak Phalang Tham [Justice Party]—"It Has Bile Because It Has Vital Fluids"**

This is the party that many people expect to grow a great deal after the present changes. The image of its leadership is one of "bile" without corruption. It reformed with regard to buying votes while the image of most parties was tarnished because the leadership had their property attached "and their image stained by the business of politics."

The image of this party was that "it had no money" and did not use money to buy votes except for the materials used in campaigning. No one dares to deny that every party must have enough "vital fluid" to compete with other parties in elections.

The financial support which provides the political base for the Phak Phalang Tham has two sources, namely, from the Santisok in the name of the Ruam Phalang Kao group and Bangkok MP's and from Chinese in Yaorat with mid-sized but stable businesses. There were 20 who had formed a group to visit relatives in China.

Although it is expected that this party will grow a great deal in the next election and that "Maha" has a chance to become deputy, depending on "Big Chiu New Hope," nevertheless it appears that much of the "bile," such as Dr. Komet Khwanmuang, Dr. Udomsin Sisaengnam, Dr. Achong Chumsai, and Suthep Wongkamhaeng, will

leave. Police General Chamlong Simuang should recognize this if he wants to grow before the split.

**Phak Khwam Wang Mai [New Hope Party]—"A Party of 500 Million With Nine Levels"**

As a former democratic officer and rumored author of Order 66/2523, General Chawalit Yongchaiyut must find a way to the top from the first step of democracy and aspire above all else to build a complete democracy. And in his addresses "Big Chiu New Hope" has spoken of reforming the corruption in politics and reforming the practice of buying votes.

But by saying that they must get at least 200 MP's and build a party of nine levels in Ruamchit Lane on Phichai Street made the people interested in following the "Khwam Wang Mai" movement wonder whether this was really a new hope or not because using vast amounts of money in elections contradicted "Big Chiu's" attacks on the "business of politics" and made people wonder where the funds are coming from.

There have been rumors that there were idealistic supporters of Big Chiu who would provide 1 billion baht to support him.

What was not rumored was that these supporters included Amnuai Wirawan and Uncle "Wan Chanchu."

In addition, many businesses and stores large and small have joined in helping. One of those said to be helping was the "Chanthachamratsaeng" group of the Benchamat Company which grew large from construction work for the Army!

It has been whispered that Kamnan Pa and Phithak Rangsitham, a newly rich man from Trang District and former Phak Chat Thai MP, will switch their support to Big Chiu. And "Khaimukdam," Wira Musikaphong, will switch from the Phak Ekaphap to build new hopes with "Big Chiu." A number of former MP's will switch with him, but it is not certain whether "Wira's" financial support will follow him.

In addition to the political situation changing after 23 February, so did the expectations of the advantages of being in the "New Hope" without the stain of the business of politics. This may bring "many" former MP's from many parties to switch as Wira Musikaphong did.

It is also certain that the "business" has changed quickly with the change in power. Especially a business which depends on politics might pull out of one party and support another.

Therefore building complete democracy without getting involved with tainted individuals from other parties who have been washed off in the "new hope" and the image of the business of politics which this would give this party is an issue which "Big Chiu" must clear up just as

he must clear himself of any involvement in the actions of the NPKC. He could issue an open letter explaining this.

**Phak Ekaphap [Unity Party]—"Shattered"**

This is another party about which nothing is certain after the changes of 23 February. In particular there are reports of hurt feeling on the part of "Narong supporters" whose assets were attached by the NPKC, and whispers that another party leader must step down because of his image as "a minister who cheated the nation" after his political assets were attached. This was political destruction (even if they are proven innocent, the stain is difficult to remove quickly). There are also reports that Wira Musikaphong is to leave. All this is making the Phak Ekaphap the "shattered" party.

The financial support of this party came from many sources. The first source was "Narong Wongwan." The funds came from the "Thepwong Company" which was involved in exporting tobacco and running saw mills. There were reports that he received valuable support from Chamnong Phothisaro, the former director of the Forestry Department.

Another source was Chaloemphan Siwakra, who did big business with the "American Standard Company," a large bathroom fixture company, and also owned the Phromthaiping factory, the President Hotel, the Thai-ping building, and a great deal of land in the center of the city.

The assets of Chaloemphan were not extensive. According to research by S. Kroekkiati Phiphatseritham (a senator) in 1981, he had 40 billion baht.

As for the future of the Phak Ekaphap, we will have to wait for the next election to see if it breaks up or shrinks. It will be difficult for it to grow unless something unexpected occurs.

In addition, there is another type of financial support, and that is "to help each party." How much each party got depended on how much help it had provided. This type of financial support came from big business, many commercial banks, and from such persons as Wan Chansu, Chan Manutham, and Chaliao Yuwithaya (the owner of the Krathing Daeng beverage company), and so on. [passage omitted]

**Assets, Profiles of Leading 'Godfathers'**

*91SE0234B Bangkok NAE0 NA in Thai 3 Apr 91 p 2*

[Unattributed report: "The Seven Big Godfathers and Their Activities 'Out of the Shadows'"]

[Excerpts] So Thonwisut

The activities of "Hia So" include a great deal. He is a big partner in forestry, mining, stockyards, and farms in Nakhon Ratchasima Province and large rice mills in Phichit Province, Phitsanulok Province, and Nakhon

Sawan Province with Kamnan Song Ongchaiwatana, a blood brother, in Tha Khao Kamnan Song. The origin of his name, "the Entertainment Godfather," comes from his investment with Mr. Kamphon Tansatcha to set up the Effects Business to make movies for the market. In addition, he set up the Pyramid Entertainment Company to buy the rights for domestic and foreign movies and to supply these to various movie theaters and distribute them in the countryside. He also handled videotapes and owned the Osaka building. In addition, "Hia So" used to publish the newspaper TAWAN SIAM which now has become the weekly magazine, PHAYA-KHRUT.

When the real estate business was booming, "Hia So" did not pass up any opportunities in this area, and his fixed assets increased greatly. His assets and influence were second to none as a rich man and a godfather of Thailand. He had at least 600 million baht deposited in the Asia Bank and the Laem Thong Bank and also had many shares in the Sahathanakhan Bank.

#### **Somchai Khunplun**

"Kamnan Pa" has been spoken of as the "Godfather of the East" since Mr. Chumphon Sukpharangsi or "Sia Chiu" was killed in his khabens many years ago. He controls a wide variety of activities. He is an agent who distributes alcoholic beverages and beer in the East, including Mekong and Hong liquor, Amarit beer, Khunphen beer, which he advertises himself, and Kloster beer. He is the owner of the S.S. Villa land distribution company and the Bangsaen Villa Hotel. He set up the Bang Saen Beach Resort Company. He operates the Bang Saen Hotel of the Tourism Authority of Thailand. He is the owner of the Bang Saen Mahanakhon Company and the biggest amusement park in Chonburi, which is called "Happy World." He was the owner of many amusement parks, hotels, and department stores. He has shares in the "Ocean World" amusement park and the Ocean Department Store in Bang Saen. In addition he also has a company which is building various factories in the Eastern Seaboard Project in Maptaphut District of Rayong Province. He owns the largest sand pit in the east in Phanatnikhom District which supplies sand to the central region, the East and Bangkok. At present he is operating the Si Racha Complex, a company selling laterite stone, and many real estate companies.

The real estate assets of Kamnan Pa are said to stretch throughout the East and many other provinces throughout the country. The value of Kamnan Pa's assets is generally felt to be "billions." [passage omitted]

#### **Charoen Phatanadamrongchit**

Sia Leng of Khonkaen does a great deal of business, and his influence is second to none. He set up a forest products company which operates in Khonkaen Province, Loei Province, and Kanchanaburi Province. He is in real estate, is building a trade center and condominiums, has a tour business especially to Hong Kong and

Macao, has horse stables, raises cassava, has a cassava processing plant, a hemp processing plant, rice mills, and a cassava flour plant. He received a concession to reforest more than 3,000 rai [one rai equals about 0.4 of an acre] in Khonkaen Province and 2,000 rai in Nakhon Ratchasima Province. He received a concession to operate diesel trucks between Bangkok, Khonkaen, and Udon Thani under the name of the Uniword Seafood Company, which supplies seafood. He also operates the Siri Witthayakon School in Nakhon Ratchasima Province and many other businesses such as Khonkaen Agricultural Products, Ltd., which buys and sells agricultural products of all kinds, the cassava flour plant of Khonkaen Agricultural Products, and the storage company of Khonkaen Agricultural Products, which stores crops and gives advances on them. He set up the Chumsin International Company in Bangkok, which exports crops and processes wood under the name of the Chumsin Wood Products Company. He built the Charoen Tower Project in Khonkaen which houses the fresh market, the night market, the trade building, condominiums, and a hotel. In addition, he has the Khonkaen Liquor Company which distributes all kinds of liquor and owns the Muang Loei Granite Cooperative which quarries granite in Loei Province.

#### **Chatchawan Khong-udom**

"Chat Tao-pun" has many condominium projects in Bangkok, is a real estate broker, and is in land distribution in the area of Nonthaburi Province. He runs the market next to the railroad in Bangson and recently opened a small investment company. Aside from this, no other enterprises have been revealed other than rumors of involvement in gambling dens.

#### **Phaichitra Thamrotphinit**

His business that can be revealed consists of gold stores in Khlong Toei and Pratu Nam, which sell gold ingots and all types of gold. He also has gambling dens which are widely known as "Po Pratu Nam" dens. The police have arrested him many times but "Po Pratu Nam," it is rumored, has invested in many ventures with influential people.

#### **Amon Aphitnakun**

He is another godfather in the entertainment field. He operates the Galaxy restaurant group and has shares in many first-class hotels in Bangkok, especially in the Suthisan area. In addition he has shares in second-class hotels such as the Raja Palace and the Seven Holiday and is a partner in the Galaxy entertainment complex in Bang Saen. He is the one who contacts singers in Taiwan and Hong Kong about performing at the Galaxy restaurants. Sia Amon's forebearers had been in this business also.

Amon's nickname is "Sia Pe" because he patronized the "Chaemae" boxing camp of Mr. Niwat Laosuanwat,

the organizer of Thai World Championships at the "Khao Sai Galaxy." It is well known that Sia Amon is a cousin of Chaemae.

Sia Pe is acknowledged to be the "Tu Ma Godfather" because he runs the biggest "electronic game" business in Bangkok.

It is also acknowledged that Sia Amon has as much money as the other "godfathers" mentioned here.

#### **Ex-Student, MP on Atmospherics, Constitution**

91SE0232C Bangkok KHAO PHISET in Thai  
1-7 Apr 91 pp 20-21

[Interview with Sutham Saengprathum, former Solidarity Member of Parliament; date, place not given]

[Text] [KHAO PHISET] After this idea was proposed, what was the reaction of various groups, both positive and negative?

[Saengprathum] Generally there was agreement and disagreement. Those who agreed stressed freedom and the participation of the people in society. They thought this was an area where there should be participation. Those who objected spoke about the source of the authority for drafting it. I argued that this was irrelevant. Because we did not have the power to enforce it, I did not want to draft this constitution. It would just be proposing certain ideas, some of which would be similar and some different, for those in power to consider as they drafted laws. In normal times some have done this. Others are worried that in a situation like this if we make known our ideas, they might violate some laws that those in power would like to apply. I listened to this proposal for drafting a constitution and was pleased, but social activities must proceed in an appropriate manner. There are many who are discouraged, and many who agree. I feel that society's demand for this sort of thing is the measure of how much opportunity each person has to demand it. It is not a matter of confrontation. We would not march to apply pressure. We are not people who would want to do that sort of thing unless it were really necessary.

[KHAO PHISET] This has been viewed as "trying to start something." What do you think?

[Saengprathum] I do not understand what he (General Sunthon Khongsomphong) is angry about. People are coming to help point out certain facts and to propose that he issue certain regulations. I think he should have been happy. He may have been in a bad mood about something else and then was teased about this. The questions of the media about this may have triggered his anger about something else which was not clear. When an important person is angry, it is an important story. It may have been something like that. I feel that if he understands our true intentions, he will not only not be

angry but will be pleased. He will encounter this friendship repeatedly. It will not just be from my group but others also. He should accept this response with a good attitude also.

[KHAO PHISET] What is the gist of your group's constitution, and in what form will it be issued?

[Saengprathum] We have a group exchanging views which includes politicians from many parties, specialists, lawyers, the media, and students. At present each group has been assigned to study the problem. We feel that we will probably have to use an improved version of the 1978 constitution as a basis. If we use the 1974 constitution, which was very democratic, we fear that it would be too far from the position of those holding power. We will use the 1978 constitution after it has been improved. Its failure did not arise from the country's rules but from the system and those running it. Our parliamentary system just got started a few decades ago. When one has a good car but cannot drive well, it is not unusual for it to get some scrapes. But just because it has some scrapes, we should not think that it is no good. It would be impossible to return to the oxcart. No one wants that. We must develop on the basis of what we have.

[KHAO PHISET] What do you think the constitution which the NPKC [National Peacekeeping Council] is to draft will be like?

[Saengprathum] I have observed the thinking which they have applied to the law and various strategies, and I have observed their method of making proposals, their intentions, and events here. I feel that they will issue a constitution similar to that of 1968. They will want this as a tool for the government officials to use in administering the country. The people would only be a rubber stamp—their Parliament would only meet to approve what the government had done. This approach will fail when it is tried. The 1968 constitution took 10 years to draft and was used for only two years. Under it senators had more power than representatives. For example the president of the Senate was also president of the House of Representatives. And there was no opportunity for legislators to become administrators no matter what the position. It involved a separation of legislative power from administrative power. At the same time government officials were powerful. Permanent officials could be political officials.

[KHAO PHISET] Do you think that the point of separating power like this is to increase the power of the permanent officials?

[Saengprathum] Yes. The point is to take power from the people and give more power to the permanent officials. These officials have administered the country for a long time, and failures have generally been the result of the power of the permanent officials.

[KHAO PHISET] What do you think of the explanation that this is a proposal to correct the problem of corruption?

[Saengprathum] I think this is like the Chinese proverb in that it is cutting the foot to fit the shoe and not cutting the shoe to fit the foot. It is an attempt which does not fit

the reality of the situation. It does not relate to the cause and effect. It does not guarantee to control anything. Even politicians do not agree with it. We are concerned about the measures which he has announced to keep the administration clean and just. He will even have an organization which will check on the work of the politicians. This organization would be equivalent to an "ombudsman" or inspector of Parliament. These proposals were being considered, however, power was seized before anything could be done. At the same time that power was taken away, it had been forbidden to buy votes and withdraw funds. This is not logical. I think that power was seized more for personal reasons than for public reasons. In hindsight things do not add up.

[KHAO PHISET] The NPKC has promised to return power to the people quickly. Do you think this is possible?

[Saengprathum] Since the NPKC seized power and people have tried to determine the intentions behind their announcements, I have said that their deeds would show their intentions. When this constitution is issued, I think that people will be disappointed. The thing that made people hopeful was the selection of people to make up the government. They were honorable people. If these people were really free to administer the country, I think that it would help the country. Then people watched another organization which would indicate their intentions, the senate. At present I still have not given up hope in that regard, but these hopes will depend on the selection of individuals to serve there.

Therefore we are watching the adoption of rules, which will depend on what they want. What the phrase "return power" means to the NPKC, I feel, involves a division of power and the return of such power to the people which does not affect their power. This might appear too severe, but it is my honest opinion.

[KHAO PHISET] What concerns do you have about the present and future political situation?

[Saengprathum] I am concerned about the persistence of totalitarian power. I personally feel that it might be an obstacle to the development of the country because we are not a country alone without relations with the world community. Those of the world community with relations here are now looking at the rules of our society and deciding whether it is appropriate for them to have relations here, considering the behavior of the NPKC I feel, and the NPKC acknowledges, that the best solution is to allow others to get involved in government. There are many countries which have experienced totalitarian power. The Soviet Union has a totalitarian system now based on communism. No one is resisting its power and yet they have had to reduce it in order to develop. Vietnam, Laos, and East Europe have had similar experiences. Only Burma is our close friend. Burma still persists, but it has caused their society to lose a great deal. Recently it was reported that the World Bank, which was to meet in Thailand, does not want to meet

here. I feel that this is unfortunate. The NPKC and members of the government feel the same way.

### Editorial Views NPKC, 1973 Revolution

91SE0232B Bangkok KHAO PHISET in Thai  
1-7 Apr 91 p 3

[Untitled editorial]

[Text] Although the students and the masses were happy after the events of October 1973 with their victory achieving an atmosphere of democracy, many young officers were filled with a feeling of hurt and bitterness. A colonel said that he had had to wear a civilian suit outside his house, carry his uniform to work and change at his unit. When one side is victorious, it usually hurts the other side. The dance of joy has bitterness as its opposite.

That feeling of hurt was an important ingredient in the joining together of officers with the rank of major and lieutenant colonel in a secret organization of their own called "the young officers, young turks, or democratic soldiers." They tried everything to regain the honor and authority of the military during the period from 1973 to 1976.

They soon achieved this goal. It was a victory of the military joined together with a group which called itself "the rightists." This hurt the politicians and the group which called itself leftist.

The slogan of the young turks who started the group was "to work together for the benefit of the nation, not to be loyal to an individual or group, and not to seize power." This changed under the pressure of that power.

General Prem Tinsulanonda once said to a former military leader while a hot political battle was going on that "the military must ascertain for itself what the people think the military should do."

The coup of 23 February 1991 occurred as a result of the "politicians." The behavior of the politicians was the "sole justification" of the military for political involvement. No one thought that a coup would occur under those circumstances. But it happened and is still proceeding.

Reference has been made to an interview with General Chawalit Yongchaiyut, a former military leader, in which he announced that there should be no revolt when in power and not to carry out a coup as announced. The report stated that he was worried about the "military institution" getting involved in politics after the coup of 27 February 1991 [as published].

These concerns are very interesting.

The history of politics has many painful lessons for the "young turks." These could be good examples for military circles now.

We still have not heard of anything better than to lift martial law as soon as possible, return the administration of the country to the present civilian government entirely and return to one's duties as quickly as possible.

The institution of the military is a very important institution for the nation. It has certain basic duties. Being partially involved in politics and having an unfinished relationship with the political power which is outside its duties has had severe effects on this institution and has overburdened its authority.

A former coup leader summarized this with the observation that "tanks have complete military power on the battlefield, but their value falls a great deal when they are driven through the streets or parked in front of the Department of Public Relations." Another officer said that "the authority of the military is given to us by others—other social institutions give it to us—we do not get it because we want it."

This editorial is full of honest concern. No one "wants to start something" with those with military power behind the scenes. But there has been some research into rebellion which indicates that there are no soldiers with the heart to kill more than 10 people even if this killing were not wrong and especially if the victims were their fellow countrymen. The limitation on power is "justice." The best way to maintain justice is to make that power a "duty" or "obligation."

With sincerity and good intentions I implore those in power to withdraw from the quagmire of civil authority as quickly as possible.

#### Sources View Deputy Premier Michai's Military Ties

91SE0232A Bangkok LAK THAI in Thai 1-7 Apr 91  
pp 27, 28

[Unattributed report: "Michai Ruchupan, Coordinator for the Government and NPKC"]

[Excerpts] [passage omitted] A source for LAK THAI said that Michai Ruchupan, the deputy prime minister, was a person who was trusted by the NPKC [National Peacekeeping Council]. The NPKC pressured him to accept the position of deputy prime minister, and he was accepted by Mr. Anan Panyarachun, the prime minister, as a member of the government. For this reason Mr. Michai has been made responsible for work involving an important policy of the government, which is to update outmoded laws.

"In addition it is generally believed that Professor Michai will be a member of the committee drafting the constitution. They arrived at this decision when they were working on laws which were to separate state enterprises from the labor relations decrees of 1975," this source said.

When Mr. Michai became an important member of the government for legal matters, the work in his area of responsibility inevitably increased. In any case even though he will have more work in his area of responsibility than when he was a minister in the Office of the Prime Minister, nevertheless he will also coordinate work between the government and the military, or to put it another way, he will be the coordinator in various areas, especially in legal matters, between the government and the military.

The source insisted that this unofficial coordination in all aspects was usually assigned to Mr. Michai. Almost every time that an idea was proposed either by the government or the NPKC, Mr. Michai was involved. Even in the matter of separating the government enterprises from the labor relations law, the NPKC coordinated its thinking with the government primarily through Mr. Michai.

Michai Ruchupan is therefore a very important individual in the government now. When there are disagreements over words or ideas between the government and the NPKC, Mr. Michai has always been the one to help reach an understanding so that things have proceeded smoothly.

The source said that Mr. Michai was close to the leadership of the NPKC because he was a trusted legal assistant to General Prem Tinsulanonda for a long time. His relationship, both personal and official, with General Sunthon Khongsomphon, chairman of the NPKC; General Suchinda Khraprayun, vice chairman of the NPKC; and Air Chief Marshall Kaset Rotnanin, vice chairman of the NPKC, are very close. [passage omitted]

Inasmuch as Mr. Michai Ruchupan, the deputy prime minister, is important for both the government and the NPKC, he is another person with an impressive political future. In addition to being young he has a great deal of experience as a minister in the Office of the Prime Minister and as deputy prime minister now. This will keep him in demand for a long time.

#### Paper Seeks Wider Thai Role in Indochina

91SE0236B Bangkok THAI RAT in Thai 28 Mar 91  
p 3

[Editorial: "Role of Indochina"]

[Excerpts] It must be admitted that the government of General Chatchai Chunhawan made a name for Thailand with respect to Thailand's role in Indochina. As a result of our foreign policy on Indochina, both the countries of Indochina, that is, Cambodia, Laos, and Vietnam, and the world superpowers saw the importance of Thailand in this region of the world.

Even though our administrative systems are completely different and even though the internal administration of some countries, such as Cambodia, is still confused, because the four factions continue to wage a struggle for

power, relations with Thailand are surprisingly close. Thailand is like a training ground concerning administrative, medical, public health, stock market, and commercial banking activities. People from Burma, Cambodia, Laos, and Vietnam have come to observe these activities. It is also worth noting that even high-ranking people such as Nguyen Co Thach have come to observe things here. [passage omitted]

After the coup in Thailand, the Cambodian program to develop the structure of the Central Bank and commercial banks, with the Bank of Thailand playing an important role in providing information and training personnel, came to a halt. Cambodia had hoped that its new banking system would be better than that of Vietnam and Laos, because the system would have been stipulated by Thailand directly. [passage omitted]

The NPKC and the new administration should step up Thailand's role in Indochina and Burma. Thailand must continue to play a role in these countries.

Thailand's chances of becoming a trade and finance center in Indochina and Burma and even of becoming a center of influence with the baht because of our geographical location are greater than those of Singapore, Kuala Lumpur, or Jakarta. It would be a shame to let this chance slip away.

#### **Editorial: Outsiders Aggravate Cambodia Problem**

91SE0236C Bangkok SIAM RAT in Thai  
21 Mar 91 p 8

[Editorial: "Cambodia Policy"]

[Excerpt] [passage omitted] The main obstacle in the way of the UN plan is the mutual distrust. The Phnom Penh faction refuses to give up power and allow the UN to administer things. And it refuses to lay down its weapons, claiming that the Cambodian resistance groups are still receiving weapons support from outside the country. That refers to the great danger faced by Cambodia if the Khmer Rouge, which is the strongest faction, manages to return to power.

It is clear that the main point of contention that has prevented the factions from solving the Cambodia problem is the issue of military aid. Phnom Penh claims that neighboring countries are supporting the shipment of weapons to the resistance groups. But the Phnom Penh faction is itself receiving the same type of support from a neighboring country, that is, Vietnam.

It seems that outside countries still want to wield influence in Indochina even though the "cold" and "hot" wars in other parts of the world are winding down.

We feel that as long as other countries continue to wield influence in Cambodia, it will not be possible to solve the Cambodia problem. Those who are to be pitied the most are the Cambodian people, who are the victims of something that they don't want.

## **ECONOMIC**

### **BOI Seeks Closer Vietnam Trade Ties**

91SE0267A Bangkok THE NATION in English  
26 Apr 91 p B10

[Article by Pichaya Changsorn]

[Text] The Board of Investment is seeking cooperation from the State Committee for Corporation & Investment (SCCI), Vietnam's investment promotion organization, in an effort to strengthen trade relations between the two countries.

BOI Secretary-General Chira Panupong said that forging closer ties with the SCCI is essential if Thai investors are to develop their business relations with Vietnam.

Many Thai businessmen have failed to follow through on their Vietnamese investment plans, despite gaining approval from the Vietnamese Government, according to Chira.

He blamed a lack of information on business regulations in Vietnam and distrust between Vietnamese and Thai investors for hindering business cooperation between the two countries.

Chira, who just returned from a four-day visit to Vietnam at the head of a Thai investment delegation, said that cooperation with the SCCI would ensure that business relations between the two countries developed smoothly.

The SCCI, he said, recognised the importance of cooperation with Thailand, adding that a delegation of SCCI officials would visit Thailand next month.

The delegation included Akanit Suwanasing, vice president of Padaeng Industry Co, Anan Siripoing, advisor to the Ban-Pu Coal Co, Kosol Sindhavananda, senior-executive vice president of TPI Polene, and Naiyana Hongladdaporn from Genesis Technology Co.

Representing the Thai Military Bank were Pariphan Nunbhakdi, vice president and deputy manager, and Papassorn Chitaganond.

Other delegates included Phairush Burapachaisri, Metro Machinery Co, Prasit Tansuvan, Siam Cement, Prapat Chinweerapunt, also SCT, Soonthorn Kengvibul, Osoth-sapha Co, Savaraj Sachchamarga, director of Richard Ellis (Thailand) and Sathirut Tandanand from Tandem Architects Co.

Delegates from the following companies also accompanied the mission: ATT Consultants Co; Thai Scan Project Ltd; BCB Co and the Thaninee Trading Co.

The Board of Investment has not yet offered special tax privileges to Thai investors seeking to branch out into its Indo-Chinese neighbour.

However, the BoI will propose that the government provide tax incentives to encourage local businesses to invest in Vietnam. It will also ask for tax concessions on raw materials to be exported to Vietnam.

Vietnam's cheap labour (an average worker earns about U.S.\$20 a month) and its abundant natural resources, including fish, marble, cement, coal, gems and oil, make the country an attractive investment target for Thai investors, according to Chira.

He said the main thing that Thai investors want from Vietnam is an assurance that their investment will be protected.

To this end, the Thai Government has asked Vietnam to closely scrutinize its international business relations and to resolve any duplications in its tax system.

### **Economic Crime Issues, Section 301 Discussed**

*91SE0237B Bangkok KHAO PHISSET in Thai  
25-31 Mar 91 pp 38-42*

[Excerpts] Economic crimes are violations of the laws aimed at protecting the interests of the people or special laws and violations that harm the domestic economy and investment, that weaken foreign confidence, and that weaken the position of the government. This can also mean actions that do serious harm to the country's economy regardless of whether these actions are intentional or unintentional and regardless of whether they are legal or illegal.

Economic crimes can be classified as follows: defrauding the people; smuggling ore out of the country; smuggling goods into the country; operating illegal lotteries and casinos; receiving a commission from foreign loans used to purchase oil and weapons, construction projects, and government and state enterprise purchases; adulterating export goods; cheating on the weight of goods; cheating on and avoiding paying taxes; exploiting and squeezing farmers; and committing crimes involving commercial banks and financial institutions. [passage omitted]

It is thought that in the future economic crime will increase as the economy grows and that the form of these crimes will change. This stems from:

Defrauding the people, which is a problem in every period. [passage omitted]

Inflation. [passage omitted]

Technological development: The development of technology has made great progress. Thus, it is thought that this will be a loophole for economic crimes such as computer crimes or economic crimes in the form of international business, which is becoming very complex. Before those who have suffered losses discover that they are the victims of this type of crime, it is often too late to do anything about it.

The people's values. [passage omitted]

However, people are now beginning to pay more attention to suppressing economic crimes. The government units concerned have made people and units responsible for this. The Police Department, for example, has established the Economic Crime Command, which is directly responsible for such matters. This unit was created from the former Economic and Monetary Crime Suppression Center, which was subordinate to the Alien Registration and Taxation Division. Similarly, the Department of Public Prosecution has established the Economic and Resources Division. At Chulalongkorn University, there is the Economic Crime Research Office, which is within the Faculty of Law.

When it first tried to establish an Economic Crime Command, the Police Department encountered personnel problems. There were not enough people, with the result that there was a lack of unity in administering things and the unit could not handle all types of crimes. The officials involved in this work had to be experts in their field, and there was a shortage of such people. Thus, the Police Department solved the problem by forming a special economic and monetary crime suppression unit to carry on activities based on the goals. Then, when everything was ready, an Economic Crime Command was established. This special action unit was made subordinate to the Alien Registration and Taxation Division on Sathon Nua Road.

Two years passed without any changes being made. It was as if this unit had been forgotten. Then, the future of this unit brightened at the beginning of 1989. The structure of the Economic and Monetary Crime Suppression Center was changed, and the officials in the unit were sent to attend tough training seminars. And most important, Police Colonel Nophadon Sombunsap, whom the Police Department sent to study economic crime issues at the Police Institute in England, was appointed head of Unit 3, which was considered to be the unit that carried out its suppression duties resolutely.

The center began to earn a name for itself after solving several economic crimes, particularly the theft of airline tickets. At that time, a gang composed of Filipinos, Indians, Pakistanis, and Thais was stealing airline tickets of various airlines from sales offices in various countries, including the Philippines, Brunei, and Malaysia, and smuggling them into Thailand. They then sold the tickets to foreign customers. The tickets with forged signatures looked just like real tickets because of the great skill of a Thai woman. Most of these stolen tickets were for first-class seats. [passage omitted]

Because of the results scored, this special economic and monetary crime suppression unit advanced even further when the Police Department implemented a policy of putting the Alien Registration and Taxation Division in charge of suppressing economic crime. The work has been divided among five sections, with each section being equivalent to a precinct. Each section is assigned certain tasks, with each task being the equivalent of an office. Each office has its own specific duties. The



Command Section is divided into six offices, the Tax Investigation Section is divided into five offices, the Finance and Banking Section is divided into five offices, the Trade and Commerce Section is divided into four offices, and the Consumer and Environmental Protection Section is divided into five offices.

Besides this, there are also five academic positions. These people are responsible for conducting studies and doing research and analyzing the problems having to do with accounts, methods, and systems in the criminal cases concerning the various sections.

Police Colonel Wathin Khamsongsi, commander of the Alien Registration and Taxation Division, talked with KHAO PHISET about the scope of the economic work of the unit. He said that even though the unit is still called the Alien Registration and Taxation Division, the unit is responsible for suppressing economic and monetary crimes. Its original registration work has been transferred to the Immigration Division.

"We became involved in this work about the end of 1989. The Economic and Monetary Crime Center, which was a special action unit, was made subordinate to this division. Four sections were established to suppress economic crimes. But the name remained the same. The name may be changed to the Economic Crime Investigation Division in the future, based on the policy of the Police Department and the director general. The original name used the word suppression. The director general felt that that sounded too intimidating, so a change was made. But actually, we are involved in investigating things. To change the name, a royal decree must be issued, and that takes time."

Regarding economic and monetary crime, Police Colonel Wathin said that taxes are the greatest problem today. In particular, crimes having to do with revenue taxes have greatly harmed the country and people. "The most important thing is tax avoidance, which, as we all know, has been going on for a long time. This problem is growing even worse today. If the Revenue Department can't collect the taxes owed, the Tax Investigation Section must take steps to find and punish the violators."

As for taking action to suppress the economic criminals, Police Colonel Phiphop Na Ranong, deputy commander for the investigation of tax cases, told KHAO PHISET that tax work is the primary duty of the Alien Registration and Taxation Division. Now that the registration of aliens has been turned over to the Immigration Division, only tax work is left, which is something that the division has been engaged in for a long time. [passage omitted]

"Today, the government doesn't have money, because not everyone has paid their taxes. Tax avoidance is a major issue. Today, when people think about establishing a company, instead of thinking about how they are going to carry on operations, the first thing that they think about is how to avoid paying taxes. It can be said that this has become a custom here. We have to think about why Thais avoid paying their taxes. There are

many reasons. One is that some people are afraid of losing a lot of money even though they must pay taxes. A second reason has to do with whether tax collection is fair. This is something that needs to be analyzed. The truth must be admitted, not concealed. This will help solve the problems." [passage omitted]

As for the Trade and Commerce Section, one of its daily activities is to investigate and arrest the gangs that are forging trademarks. Police Colonel Wanlop Wattana-phukka, deputy commander for trade and commerce and suppression administration, told KHAO PHISET that, during the year that the section has been in operation, it has found that the forging of trademarks is a major problem. In just one year, officials have arrested more than 1,000 people at both production and distribution sites. These goods had a value of several tens of millions of baht.

"Now that we have begun arresting large numbers of people, the manufacturers are changing their methods. They used to do everything at one factory. Now, the various production steps are done at different places. For example, pockets are made at one place, the trademarks are attached somewhere else, and the goods are packed at a third location. This complicates things for us. The police must develop their techniques in order to keep up with these criminals. But there isn't any reason for concern, because we are taking resolute action. They are forging trademarks. This is a violation of the Trademark Act, which is a criminal offense."

Goods with forged trademarks are sold everywhere, particularly at sidewalk stalls in various places. The prices of these goods are lower than the real item. People like to buy these goods, because they can buy good brands at low prices.

Another urgent task of the Trade and Commerce Section is to take resolute action against those who commit intellectual property violations, because recently, Americans have begun calling on their government to use Section 301, which is a protectionist law, against Thailand. They have charged that Thailand has not taken steps to suppress intellectual property violations. The two sides held a meeting in Los Angeles on 7 and 8 March to discuss this.

The Thai Ministry of Commerce sent a delegation headed by the deputy undersecretary of commerce, Mr. Kroekkrai Chiraphaet. The delegation included officials from various departments such as the Department of Commercial Registration, the Department of Business Economics, the Ministry of Foreign Affairs, the Fine Arts Department, the Department of Public Prosecutions, and the Police Department, which sent Police Col Wanlop from the Trade and Commerce Section.

"Thailand has three laws that protect intellectual property—the copyright, patent, and trademark acts. Actually, we have already promulgated laws to provide protection, but Americans aren't satisfied with what Thai officials have done. For example, we haven't arrested

people as they have wanted. And our laws do not cover everything that they want. Moreover, the reporting of arrests is not as systematic as it should be."

The United States has used Section 301 against Taiwan and Korea. And Thailand is another country that is being watched by the United States. This Police Department representative said that "actually, it's not that we have been negligent in implementing the laws or that the laws are inefficient, as the United States has charged. We will continue to arrest those who commit violations. It is just that the United States has not looked into things deeply, or it has received erroneous information. These are charges. Thailand is not a defendant. We went there to explain the facts."

After this meeting, the Thai Government ordered all units responsible for intellectual property violations to implement stricter measures in order to avoid the problems that will arise if the United States uses Section 301.

"But the under secretary did not order us to take any special actions; he can't pressure us. All he said was that we should carry out our duties resolutely. We are already doing our best. In view of this, if he criticizes us again, that is his business. We will wait about three to four months to see what his attitude is. Nothing official has been stipulated. But we must take resolute action, because if the United States uses Section 301, it will have a great effect on the country. Thailand stands to lose revenue of about 120 billion baht a year with respect to textiles and gemstones.

With respect to those who may fall victim to economic and monetary crimes, the commander of the Alien Registration and Taxation Division warned:

"Don't believe those who claim that just a small investment will yield huge rewards, because such investments are very risky. They may become the victim of an economic crime." [passage omitted]

The rapid increase in economic and monetary crimes has resulted in a corresponding increase in legal work. The Department of Public Prosecutions has had to form a separate division to handle economic cases. The name of this division is the Economic and Resources Division. A high-level news source in this division said:

"Actually, the Department of Public Prosecutions is responsible for filing charges. But because economic and resources crimes are very complex and because the number of such cases is increasing, it has formed a special unit to handle such cases, most of which are major cases. For example, there are many check cases, because the economy is growing rapidly. There are also cases of land fraud, particularly cases involving agents, and murder cases sometimes stem from this. There are also many tax cases, but most of these are small or medium-sized cases that do not involve that much money. Besides this, there are also cases involving the

environment and resources, such as people encroaching on forest preserves or cutting trees and destroying the forests."

As for why people commit economic crimes, the news source said that now that the economy has improved, people are spending more than they have, which is not against the law. But the government should implement a policy to control this, even if indirectly, because today there are only measures for checking the assets of administrators or government officials. The state unit responsible is the OCCC [Office of the Commission to Counter Corruption]. But there are no controls on people in general. [passage omitted]

#### Phatchara, Yanyong Comment on Drug Patent Issue

91SE0237C Bangkok MATICHON in Thai 11 Apr 91  
p 4

[Excerpt] [passage omitted] In his capacity as chairman of the Committee To Improve and Develop the Intellectual Property System, Mr. Phatchara Isarasanao Na Ayuthaya, the under secretary of commerce, commented on the results of the meeting held on 10 April. He said that those at the meeting passed a resolution to have the Department of Commercial Registration revise the 1979 Drug Patent Act and submit this to the committee within one week so that committee members can present their views within two weeks before the matter is submitted to the cabinet at the beginning of May.

Mr. Yanyong Phuengrat, the secretary of the Subcommittee To Revise the Drug Patent Law, said that those at the meeting discussed a law that will protect new drugs and also new food and soft drink products and agricultural machinery, particularly the agricultural machinery that is often copied here. These types of machinery, regardless of whether it is latex removers, shrimp counters, or tractors, must be protected. The patent registration period will be shortened. Animals, crops, and computer programs will still be exempt from protection. Computer programs have nothing to do with patents.

Mr Yanyong said that the committee will also consider measures to control the effects of this draft law that are not in the Copyright Law. For example, tariffs may be lowered, or investment may be promoted. However, the Ministry of Public Health feels that the measures on drugs should be separated from the other measures. But those at the meeting felt that that was too big a task. [passage omitted]

#### Commerce Sets Steps on Drug Patent Issue

91SE0238A Bangkok MATICHON in Thai 10 Apr 91  
p 4

[Excerpt] [passage omitted] A news report from the Ministry of Commerce stated that at its 10 April meeting, the Committee To Improve and Develop the

Intellectual Property System will discuss control measures and the possible effects if Thailand decides to protect drug patents. The measures include: 1) Forming a drug patent subcommittee to monitor, study, and analyze the prices of the drug that have been given patents to see if the prices are higher than they should be. 2) Requiring the holders of drug patents to regularly provide drug production, sales, and price data to the Department of Commercial Registration. 3) Giving the state power to review this matter regularly and requiring the holders of the drug patents to issue permits to allow others to produce and sell the drugs. If the holders of the patents refuse, their patent rights can be withdrawn. 4) Giving the Price and Monopoly Control Committee authority to monitor price adjustments.

A news source said that the draft Drug Patent Act will not be retroactive. It will protect only newly produced drugs and will not allow permits to be issued. Also, the protection period will remain 15 years even though the United States has asked that this be extended to 20 years. If an agreement is reached at the GATT talks, drug producers will have to import drugs from the patent owners. Today, the smuggling of low-cost drugs into the country from Eastern Europe is declining. Thailand will have to import drugs obtained from the patent holders.

#### **Police Comment on Copyright, Trademark Violations**

91SE0238D Bangkok NAO NA (LOK THURAKIT SUPPLEMENT) in Thai 9 Apr 91 pp 7, 14

[Excerpt] [passage omitted] Police Lieutenant Colonel Ratwit Saenthawisuk, deputy superintendent for the investigation of trade and commercial cases, Economic and Monetary Crime Suppression Center (EMCSC), told NAO NA that the number of complaints concerning trademark violations is increasing. These trademark violations concern famous brands of goods, particularly goods from Japan, Europe, and other countries. Such brands include Charles Jordache and Christian Dior.

"Last year alone, there were 170-180 trademark cases, divided into sellers of and agents for goods with bogus trademarks. These goods included watches, clothing, leather goods, and mementos."

At the same time, the news source said that besides the fact that the number of trademark violations has increased, copyright violations have increased, too. In March alone, 32 well-known foreign companies that suffered losses from copyright violations filed complaints with the EMCSC.

These 32 well-known companies are located in various countries, particularly the United States. Companies whose film and video copyrights have been violated include the Walt Disney, 20th Century, Metro-Goldwyn Mayer, United Artists, Orion Pictures, Columbia Pictures Industry, Wolner Brader Inc., Paramount Pictures, and Universal City Studio companies. All of these are well-known U.S. motion picture companies.

There are also well-known companies from many other countries, including Thailand. These include the Five Star Production Company of Thailand, the Television Broadcasting Company, Ltd., of Hong Kong, and the CBS United Kingdom Company, Ltd., of England. The film and video copyrights of all of these companies have been infringed on.

Companies whose sound tapes have been infringed on include the Dublin UEA Records Company, EMI Records Company, Virgin Records Company, Ltd., Pete Watermen Company, Ltd., Folicor Company, Ltd., and the BMCU Rodisk Company, Ltd., all of which are located in England. Others include CBS Records Company of Australia, CBS Production PTY Company of Australia, and Delphin Production Company of France. Companies in the United States include BME Music Company, CBS Records Company, and Jansen Pharmaceutical Company. A company whose broadcasting rights were infringed on was the NV Company of Belgium.

"When someone who has suffered losses files a complaint against someone for violating their copyrights or trademarks, the police will seize the bogus goods and take actions against the violators. But if those who have suffered losses do not file a complaint or inform the police, we can't take any action."

#### **Editorial Blasts U.S. on Aviation Issue**

91SE0238F Bangkok THAI RAT in Thai 27 Mar 91 p 3

[Editorial: "Thai-U.S. Aviation"]

[Excerpt] Using familiar tactics to control data and information, the United States has made many Thais, including many Thai politicians, think that the Thai Government has violated the agreement. It claims that when Thailand wanted to increase the number of flights to the United States, the United States said that it was free to do so. And so why hasn't the United States been treated the same way and given the same right?

Actually, this concerns huge profits. U.S. airlines are earning huge profits in Asia by relying on the open-skies aviation agreement. U.S. airlines that fly from Tokyo to Thailand via Seoul, Taipei, and Hong Kong are the champs in piling up profits. They have lost money flying in the United States and flying across the Pacific to Japan. Several airlines have gone bankrupt, and several others have asked the government for protection so that they won't have to pay taxes for a certain period of time.

It is true that the United States has opened up its skies to Thailand's carrier. There are no restrictions on the number of flights. But if our carrier did that, it would go bankrupt, because the profitable route to the United States is from Tokyo to Los Angeles. The United States has set restrictions on our carrier. This is what Thailand is complaining about. Thai Airways wants to fly to Los Angeles and/or other places. But the United States

refuses. Thus, Thailand has asked them to reduce the number of flights. But the United States has responded by saying that the number of flights depends on the number of passengers and the amount of cargo and that the government shouldn't stipulate this. It obviously wants to keep its advantage. It has said that the Thai carrier can fly to other places in the United States, which means that we would lose money.

Singapore Airlines has the right to fly into Los Angeles, but not Thai International. Not one American politician has considered the fact that Thailand has fought side by side with the United States in several wars. They just want to block us. Singapore enjoys more rights than Thailand because of U.S. interests. That is because U.S. airlines own shares in Singapore Airlines. We have never considered selling shares. Thai Airways International is not even listed on the Thai stock exchange. [passage omitted]

#### Sources View Civil Aviation Dispute With U.S.

91SE0238B Bangkok KHAO PHISET in Thai  
8-14 Apr 91 pp 39-42

[Excerpts] [passage omitted] A high-level news source in the aviation business provided some clues about what is causing today's problems. He said that there is some interesting background information and went into the real reasons:

"There has been much talk about the aviation problem, and the issue of national interests is often raised. Sometimes people say that the slave agreement should be revoked. The United States is confused about this, because Thailand entered into the aviation agreement freely. No one forced it to sign the agreement."

The mistake that was made when the first aviation agreement was signed was that Thai Airways International did not have any experience in carrying on operations in the United States. The first Thai airline company was Air Siam. The United States viewed Air Siam as just a small company and gave it some routes. When Thai Airways International signed the agreement, it lacked the data needed to make a decision, said the news source.

The aviation rights problem is not a problem between the two governments; however, the airlines and administrators have taken the matter to their governments but have given them only some of the data. Take, for example, the matter of Thai International flying into Seattle instead of Los Angeles, San Francisco, or Chicago. Actually, it is not that the United States won't let us land at those cities. Rather, our officials have been afraid that this would harm the interests of SAS, which was the mentor of Thai International at that time. Thus, we should make a greater effort to get at the heart of the problem.

"Conflicts concerning aviation rights have arisen in every country in the world. There are, for example,

conflicts between the United States and Japan and between England and the United States. The negotiations should be based on fairness and the nation's interests. People shouldn't cite national interests but then include the interests of friends in this."

One of the points frequently raised during the aviation talks is having the United States reduce the number of its flights. Every time that the United States refuses, Thailand uses this as a condition in revoking aviation rights. That is a mistake, said the news source. He added that "actually, Thailand may be at a disadvantage. But overturning the board is not the right way to handle things. The question is who stands to gain and who stands to lose the most? For the United States, Thailand is a minor market. Without the English and German markets, they would be in trouble. But if Thailand revokes their aviation rights, they might move to Hong Kong. In that case, the number of tourists coming to Thailand would decline greatly. Would it be worth it in terms of the interests of Thai International and the great effect that this would have on other businesses?"

A better solution would be for the government to take a great interest in who will represent Thailand in the talks scheduled for July 1991. Its policy should be to "share interests." For example, we could ask to switch from Seattle to Los Angeles or Chicago. That would be better than asking them to reduce the number of flights, which is a matter of interests and prestige, about which no one wants to give in.

A news source from the Thai Airways International employees union said that "to solve the aviation rights problem between Thailand and the United States, we must share the interests. They are doing this in Europe. That is, airlines can fly to as many destinations as they want. But they have to share the profits. From what I know, senior officials are discussing this method. This may be a way to solve this problem."

It is worth noting that this conflict between Thailand and the United States began to reach the boiling point during the time of the Chatchai administration. Many people would like to know who started this and why did the Thai Government, which is a close ally of the United States, allow it to happen?

One of the people who participated in the negotiations with the United States told KHAO PHISET that the United States is very displeased with the statement issued by the Thai Government because it was a challenge. Even though they have tried to explain the necessity of things and provide Thailand with detailed data, Thailand has stuck by its impossible position, that is, having them reduce the number of flights. Thus, no progress has been made in the talks. [passage omitted]

The data obtained from various sources provides a somewhat clearer picture and should be "new data" for the negotiating team, which is headed by Mr. Rungrot Siprasoetsuk, the deputy director general of the Department of Commercial Aviation. More data should be

collected before the talks in July for the sake of the nation's interests and prestige.

Besides this, people probably won't call and demand money from a foreign airline anymore.

**The Rights of Thai International Airways, a Split Between Thailand and the United States**

***Nukun Prachuapmo, minister of communications***

There must be further talks on aviation rights. I don't think that there will be a problem. I think that we will be able to reach an agreement.

***Police First Lieutenant Chatchai Bunya-anan, deputy managing director of Thai Airways International***

It is up to the government to make a decision. Thai International will implement the policy that is set. But I still feel that an agreement can be reached.

***Mr. Wirachai Wannukkun, former managing director of Air Siam***

I don't think that Thailand and the United States would have gotten into this argument if the number of flights had been equal. But now that this problem has arisen, we must negotiate. We can't be emotional. The important thing is that we must ask ourselves if Thailand has to rely on the United States. The answer is, yes, because this will build up the country's economy. Thus, the best way is to rely on friends in the negotiations. The United States has been a friend of ours for a long time, and we have always stood shoulder to shoulder with them. What surprises me is that some countries have given us permission to fly to their country, but we have not done so. We have a "child" who is somewhat wayward.

It will be difficult for us to become equal to them. If we try to have them reduce the number of flights, it will be difficult to reach an agreement. However, I hope that the negotiations will bear fruit. It won't be easy, but there has to be a way out. If senior administrators are sent to negotiate, things will probably improve.

***A news source in the Thai Airways International employees union***

There are about three American airlines that fly here. There are rules and regulations. Suppose that one of the airlines asks to add another flight to Bangkok with a stopover somewhere. The other two airlines would certainly make the same request. The government would have to allow that, because that is their right. But we have only one airline.

There must be stopover points, which is the fifth right that we talked about. Why won't they give us that? Take Bangkok, Tokyo, Narita, Honolulu, and Los Angeles, for example. Why won't they give us these points even though there are large numbers of passengers? Instead, we have to stop in Seattle and Dallas. Those cities don't have that many passengers. Even the domestic flights

from Dallas aren't full. Who is going to wait for us? I think that they are taking advantage of us.

**Excise Department Sources on Cigarette Imports**

***91SE0238C Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 8 Apr 91 p 8***

[Text] A news source in the Excise Department said that the reason why the importers of foreign cigarettes want the Ministry of Finance to reduce the import tariff another 10 percent is that if they pay the tariff at the stipulated rate, they will not be able to compete with cigarettes sold on the black market. Officials will probably refuse to lower the rate as requested by importers, because the rate has already been reduced to 55 percent, which is equal to the domestic tax. Also, this is in accord with the GATT agreement, which calls for domestic and foreign taxes on goods to be the same.

The news source also discussed the progress made in considering the conditions set by the Excise Department for the six importers. The Excise Department has been informed that all six importers are acting in accord with the conditions, that is, sending samples for consideration, affixing stamps from the foreign production plants, and printing stamps on the packs just like Thai cigarettes if the importers want to do that. But importers must print a warning about the dangers of smoking cigarettes in the Thai language on the side of each pack of cigarettes. The importer of the Mai Seven brand is doing things properly.

"Everyone hopes that foreign cigarettes can be sold here legally. But several months have passed since it was announced that cigarettes could be imported. This may stem from the fact that Thailand's duty is 55 percent. When this is added to production costs, the cost of the cigarettes is very high. The Excise Department has considered this matter. If a pack sells for 35 baht, the tax will be about 13.25 baht, which is a very high rate. Thus, foreign producers want the import duty lowered even more."

However, if importers don't import cigarettes quickly or if imports decline, people will begin smuggling cigarettes into the country again. If they are arrested in the act of selling the cigarettes, they can be fined 15 times the amount of the tax. And if they have more than 500 grams in their possession, they can be fined 10 times the tax (one pack is 20 grams).

**Finance Ministry Sets Study Teams for Export Bank**

***91SE0238E Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 9 Apr 91 p 8***

[Excerpt] [passage omitted] Mr. Wiraphong Ramangkun, deputy minister of finance, said that Mr. Suthi Singsane, minister of finance, signed an order on 5 April 1991 establishing three committees. The first is the

Committee To Consider Establishment of an Import-Export and Export Credit Guarantee Bank. He will serve as the chairman of this committee, and MR [royal title] Pridiyathon Thewakun will serve as the committee secretary.

The second is the Committee To Consider Establishment of a Deposits Insurance Institute. He will serve as the chairman, and Mr. Siri Kancharoendi will serve as secretary.

The third is the Committee To Consider Establishment of a Small-Scale and Cottage Industry Credit Support Institute. He will be the chairman of this committee, too. A committee secretary has not yet been selected. But this position may go to Mr. Praphan Sirirathamrong, director of the Government Savings Bank.

Mr. Wiraphong said that, in establishing an Import-Export and Export Credit Guarantee Bank, he wants to separate this from the Bank of Thailand (BoT) so that the organization can grow. Besides this, laws applicable

specifically to this bank will have to be enacted. The Ministry of Finance wants to establish this bank during the term of the present administration.

A Deposit Insurance Institute will be established, because commercial banks or finance companies could fail if their financial position or administration is not good. The state will not have to provide help as in the past. This institute will guarantee only the depositors.

The Deposit Guarantee Institute will be set up along the lines of the Fund To Restore and Develop the System of Financial Institutions. In the future, the importance of this fund will decline once the trusts in the 4 April Program no longer have company administrators. In establishing this institute, life insurance and other insurance companies may be included.

"The establishment of these three institutes will be completed within the term of this administration. This must be submitted to the cabinet and the Legislative Council for consideration," said Mr. Wiraphong.

## POLITICAL

### Differences on Major Issues at Local Congresses

912E0171A Hanoi NHAN DAN in Vietnamese  
15 Apr 91 p 3

[Article by Le Huyen Thong: "At District and City Party Organization Congresses in Ha Son Binh—Different Opinions on Three Major Issues Remain in Discussions of Political Report"]

[Text] Along with four other documents, the draft political report was widely circulated among party organizations in Ha Son Binh Province during the past two months for discussions aimed at soliciting opinions. Nearly 80 percent of party members in 1,240 installations throughout the province took part in discussing this document in a democratic, open, and frank manner. The party organization congresses of the City of Ha Dong and Thanh Oai, Thuong Tin, and other districts debated controversial issues for the purpose of strengthening party unity.

The Ha Son Binh Provincial CPV [Communist Party of Vietnam] Committee has combined the different opinions expressed in the discussions of the documents and will present them for debate at the forthcoming provincial party organization congress (round one). Following the discussions, there remain, about the political report particularly, besides the supplemental ideas and a high degree of unanimity expressed toward the observations included in the draft document, different opinions on these three major issues:

How to assess the four years of renovation?

A number of issues having to do with the socioeconomic views and policies to be implemented in the next five years.

The question of the party in relation to the renovation.

#### First of All, the Situation Must Be Correctly Assessed

All party organizations realized that only by correctly assessing the situation could they suggest correct solutions. There were two different kinds of opinion on assessing what was achieved in the renovation.

First, most opinions expressed by 22 party organizations at the district, city, and equivalent level agreed with what was affirmed in the draft political report: After four years of implementing the sixth party congress resolution, we have scored very important initial achievements. Many people who had been dealing with realities believed that the new economic policies calling for development of a multicomponent economy, free circulation, achievement of single prices, and renovation of the economic management mechanism, which satisfied the will of the people and received an overwhelming response from them, have brought about realistic results from carrying out the three major economic programs. Consequently, the living conditions of a segment of the population were

improved. Many people thought that the assessment as suggested by the CPV Central Committee in the draft document was true in substance and was objective, thus asserting the correctness of the party's renovation policies. The realities of the last four years have given us new knowledge and important experience in regard to the road to socialist building suitable for Vietnam's characteristics.

Analyzing the reasons behind those achievements, many delegates raised this question: Had we adopted a pluralistic multiparty system, which could have led the country to disturbances, would we have been in a position to carry out the renovation? They consequently suggested that we add to the reasons behind the gains the fact that our party has shown solid political capabilities, has been resolute in pursuing the line on renovation, and particularly has firmly resisted pluralism and a multiparty system.

Second, some other opinions did not agree with the unanimous assessment that after four years of implementing the sixth party congress resolution, very important initial successes have been obtained. The people who had these kinds of opinion thought that such an assessment was too optimistic. They recognized that there definitely were achievements in the renovation, but those achievements have not yet become a turning point. The reason was that the economic situation remained critical and was seriously out of balance, with effectiveness in production going down to a very low level. What we should worry about was that unemployment was rising, the state-operated and collective economy was on the decline, and new negative aspects, such as bankruptcies, swindles, smuggling, corruption, and so on, appeared more frequently. Grain supplies were far from abundant; consumer goods were illegally imported in large quantities. Recently, as prices rose, salaried people encountered many difficulties in their daily life.

There should be a serious assessment of the above-mentioned pressing and grave issues in order to draw experience from them and to have the right solutions for correcting shortcomings and overcoming weaknesses.

In the discussions on assessing the situation, there were two kinds of opinion on the roles of the state-operated economy, collective economy, and farm households.

#### About Implementation of Social Policies

Many delegates proposed that the CPV Central Committee take positive measures to effectively reduce the rate of population increase, to create many more jobs, and to pay attention to social justice, and, first of all, to improve the salary system in 1991 by eliminating any remaining state subsidies in salaries, mostly housing subsidies. For those who retired before 1985 and now have incomes too low to lead a decent life, their cases should be reviewed and reasonable adjustment should be made.

The minority delegates from the highlands and remote inland areas suggested that the party and state adopt policies to assist them in such fields as learning, medical treatment, information, radio, and television, and that subsidies not be totally canceled in these areas.

In the discussions on social policies, the provincial party organization showed two different kinds of opinion on education.

The first one paid much attention to the measures aimed at preventing the deterioration of education. It suggested that education and training be developed in such a manner as to conform to the level of economic development and to avoid going after quantity. It would be necessary to reconsider the fact that the policy on educational reforms implemented lately was too hasty and unsuitable for both teachers and students, particularly when it was implemented in the highlands. In the future, the task of popularizing level I and developing levels II and III to a certain degree must be properly carried out, with importance being attached to opening vocational courses. An important issue that the draft political report did not mention involved two objects, teachers and students. Suggestions were made about clarifying their roles and responsibilities in education.

The second kind of opinion requested unlimited development of education. The reason was that to raise the people's intellectual standard would greatly affect economic development. Through the educational system a correct direction should be set for the thinking of the young generation.

In this second kind of opinion, a number of delegates suggested establishment of two educational systems, state and nonstate, and a ban on private schools (to avoid letting the bad people take advantage of them). On the other hand, other delegates suggested that private schools ranging from general schools to colleges be allowed to exist.

#### **How Should We Renovate and Reorganize the Party?**

Many opinions agreed with the measures mentioned in the draft political report, namely, renovating the content and formula of party leadership, improving the quality of ideological work, improving the organization of the party and reorganizing its machinery, promoting democracy within the party, continuing to renew cadres, to renovate their work, and so on.

In the discussions on cleansing the ranks of party members and improving their quality, many delegates were concerned and wondered why our party was large but not strong and how we could resolve the matter in the future.

Some delegates believed that the reasons were the lowering of standards set for party members and the long neglect of party members' education and training. Following the seventh party congress we should close the door for a while in order to consolidate the party and at the same time to immediately expel all members who

were decadent, corrupt, and opportunist. As to those party members who did not violate any quality and policy rules but did not show strong interest in the party, had poor capabilities, and were incapable of having any leadership influence on the masses, they should also be removed from the party. We should clearly determine the standards for admitting new party members, who must have political understanding, a certain educational background, and physical strength for manual labor, and know how to do things.

A number of other delegates did not share the idea of closing the party's door. The reason was that old people currently account for a rather high percentage of party members. Therefore, the party should actively acquire new ones by recruiting them first of all among young people, who would make the party membership younger and prepare for a subsequent revolutionary generation. It should review the entire content and method of party-member education to make them suitable for the already renovated policy mechanism and for the fact that a large number of party members are farmers working primarily within the family-based economy.

The district-level party organization congresses also heard different opinions on such issues as the class nature, content, and formula of party leadership, conditions for admission to the party, and party members having private economic activities.

#### **About the Suggestion To Change the Name of the Party**

This time there were very few delegates who suggested changing the party's name to Vietnam Lao Dong (Labor) Party. The reason set forth by these people (four delegates from three party chapters) was that they did not favor the multiparty position and that, consequently, a change to a strategically significant name would conform to the present international situation.

In the discussions, almost no party organizations supported the idea and emphasized that our party from its very beginning had been named the Communist Party of Vietnam. In 1951, its name was changed to Vietnam Lao Dong Party in order to conform to the historical conditions at that time, in the period of democratic national revolution, although its ideals and objectives had remained the same. Since 1976, when the national liberation revolution was accomplished throughout the country, it has again been named the Communist Party of Vietnam. Today, as it leads our people toward national construction by taking the socialist road, it is correct to retain the name, CPV, which clearly reflects its objectives and ideals.

Many delegates at the people-administration-party congresses held by the provincial party organization and the Ha Dong City party organization emphasized that, after the party had led the Vietnamese revolution for 60 years, our people's close relationships with and revolutionary sentiments toward the CPV have been deeply fixed in the mind of each and every one of them. They have realized that the destiny of the country and nation could



not be separated from the historical responsibilities of the CPV. Today, to change the name of the party in the face of the crises of a number of socialist countries could easily create psychological turmoil and confusion about the road taken by the Vietnamese revolution in its move forward.

What is important is to retain the worker class nature of the party and to have a correct party line. It does not matter much if the party's name is changed or not, but if its abilities are not sound, if its line is not correct, if it isolates itself from the masses, the party will not be able to hold itself steady.

The Ha Son Binh Provincial CPV Committee has informed each and every delegate of the three above-mentioned major issues so that the delegates could prepare their opinions for joining the debate to be continued at the provincial party organization congress in a truly democratic, frank, highly responsible, and intellectual manner.

#### **Congresses Discuss Issues in Draft Party Documents**

912E0172A Hanoi NHAN DAN in Vietnamese  
17 Apr 91 pp 1, 4

[Article by Nguyen Su and Xuan Binh: "At Congresses of Party Organizations Subordinate to Central Public Security Party Committee—Discussions Focused on Important Issues"]

[Text] By the beginning of April 1991, the party organizations of the general departments, commands, sections, and departments subordinate to the Central Public Security Party Committee have all held their congresses (round one). More than 10,000 ideas collected from the congresses at the basic and higher levels reflected a high degree of unanimity regarding the draft documents, thus affirming the party's leadership role and the country's road to socialism. At the congresses, many delegates contributed to supplementing and perfecting these documents. Many delegates remained doubtful or failed to show total agreement with a number of specific issues. For instance, two kinds of opinions were expressed when the discussions focused on assessing the gains and lessons of experience of the Vietnamese revolution. 1) To agree with the draft program. 2) To agree only partially and to suggest a keener assessment of the party's mistakes and shortcomings in economic leadership, the task of organizing cadres and building the party, corruption, and decadence and deviation among cadres and party members, particularly cadres in high and authoritative positions. Party discipline has been not so strict since 1975. The fact that the mechanism for organizing the state machinery and party organs at all levels was cumbersome, bureaucratic, and inefficient kept the party at a distance from the people, whose confidence in the party was declining.

The central issues that attracted opinions and led to discussions at the party organization congresses were

national defense and security and the task of defending the fatherland, which should really be one of two strategic tasks to be fulfilled in the socialist construction. The great majority of delegates suggested that the national defense security program and foreign policy be separated into two chapters. The article dealing with party organization in the people's public security forces should point to specific steps rather than simply say "to be determined by the CPV [Communist Party of Vietnam] Central Committee." The nature and role of state security and social order and safety, and of the people's public security forces, as shown in many draft documents, were not worded in a uniform, complete, and accurate manner yet. We should unify the concept of the people's armed forces consisting of the people's Army and the people's public security forces. The chapter on national defense security should not deal separately with national defense and then security, but such matters as the nature, characteristics, and leadership of the party in this field, procedures and policies for the armed forces should be dealt with together.

National defense and security in the transitional period have a close relationship and support each other. The program must clearly express the view on building the people's armed forces (the Army and public security forces) to make them truly clean, strong, and absolutely loyal to the party, the socialist system, and the people. We would suggest revising the section dealing with the coordinated and mutually supporting relationships between the Army and public security forces to allow proper fulfillment of assigned tasks. In addition, importance should be attached to combining security national defense with the economy. Socioeconomic stability and development are possible only if national defense and security are strong. In the present situation, while the imperialists and enemy forces are urgently undermining socialism, the party should have the right concerns and necessary priorities for security and national defense.

With a high sense of responsibility, many delegates suggested that the draft program be revised to clarify the functions, tasks, directions, views, thoughts, and leadership role of the party toward the Army and public security forces. To defend the fatherland and to ensure national security is the task of all our party, Army, and people, for which the Army and public security forces serve as the core force that must be built to become a regular and gradually modernized one. Some people, therefore, suggested that the national defense-security chapter be corrected as "Defense of the Socialist Fatherland" and that the state establish a Security National Defense Council.

In the draft program, the part dealing with the role, functions, and task of maintaining national security is clear and correct but lacks an article on guarantees. As the people's public security forces are built to become a regular and modern force, what is its decisive strength? This point should be explained more positively. The draft program mentions only political security and very little about maintaining social order. The two aspects,

maintaining political security and social order and safety, have interacting relationships. Political security is the basic condition and a decisive basis for all aspects of the strength of society. Political security is closely linked with the existence of the party, administration, system, and so on. But we should realize that poor social order leads to the things that are harmful for political security. Therefore, in the draft program, a revision should read, "To maintain national security and social order and safety is an extremely important task of our party, state, and people." The portions dealing with public security work should cover both political security and social order. Some delegates suggested that the task of maintaining national security be clearly stated as "To protect national sovereignty and borders, the socialist system, and party leadership, and to maintain political security and social order and safety" and that the party and state clarify the role, task, and organization of the border guard force in the people's public security forces so as to have specific guidelines for consolidating and building this force.

The draft program points out, "The people's public security forces must strive to serve and protect the people's ownership right, lives, and properties..." Many delegates suggested that the following be added: "In the present stage, the task of protecting the economy and national properties is especially important. Violations of national properties will directly affect many aspects of society, political security, and social order and safety."

About the sector's management formula and measures, a majority of delegates suggested the following: "Administrative management is a front of social management. Administrative management in connection with security and order is the people's job: The people know, discuss, act, and control. Management must be open and democratic so as to build a society in which order and law prevail. Management must be based on serving the people and creating favorable conditions for the people to properly enjoy their interests and to fulfill their obligation. As to the measures to be taken, they must be aimed at fighting the tendency to cause inconveniences for people, to be authoritative, and to have an overbearing attitude, and on the other hand fighting anarchy and lax management."

The congresses also elected delegates to attend the Central Public Security Party Committee party organization congresses in accordance with regular procedures and principles. Most delegates who were elected received large numbers of votes. The Standing Committee of the Central Public Security Party Committee later met and listened to a report on the results of the congresses of party organizations subordinate to it made by the General Department for Force Building, and concentrated its leadership efforts on preparations for the First Congress of the Central Public Security Committee Party Organization.

### Social Scientists Discuss Draft Party Documents 912E0176A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 9 Apr 91 p 1

[Article by Phuoc Sanh: "Social Scientists of Ho Chi Minh City—Important Question Now Is To Contribute to Renovating Party Leadership"]

[Text] The work of our party and people as a whole depends on the current renovation. And the results obtained from this renovating task first and primarily depends on renovating the party leadership. We can see this fact more clearly through the meeting of social scientists, who are doing managerial and research work and teaching in the municipality's institutes and colleges. The meeting, convened by the Social Science Department of the Municipal CPV [Communist Party of Vietnam] Committee to gather opinions for the draft political report of the CPV Central Committee to be presented to the forthcoming seventh party congress, was attended by Professors Tran Van Giau, Nguyen Van Son, Ta Van Thanh, Dao Trong Hung, Ho Sy Khoach, and Mac Duong, Lawyer Nguyen Thanh Vinh, and so on. Nguyen Vo Danh, deputy permanent secretary; Duong Dinh Thao, chief, Propaganda and Training Department; and Duong Dang Khai, chief, Science and Education Department, also attended the meeting.

Those who expressed their opinion unanimously believed that the drafts had been carefully prepared for quite a long time and had received supplemental ideas from party members and the masses at the time they took part in the discussions of the draft program, strategy, and so on. All of them said they were happy to find that the draft political report, the party's very important document, had been given opinions from all over the country.

The scientists who attended the meeting also mentioned many points that would need further study and supplemental revision, most of them having to do with the substance of renovating party leadership.

First of all, about the content of the drafts, many participants thought that a major part of the political report should deal with matters related to the party's work, that is, about the party's views, line, positions, policies, and so on, instead of, as the previous reports used to do, the practical matters that should have been part of the work of the Council of Ministers, state organs, Fatherland Front, mass organizations, and so on. The part in the draft devoted to the party's work is still very brief this time, particularly Sections 7 and 8, which offer an evaluation of the situation and describe the task for the next five years, respectively.

As the draft points out, the party must be truly the political vanguard unit that represents the interests of the worker class, working people, and the nation as a whole. In order to successfully lead the renovation, and both the socialist construction and defense of the fatherland as well, our party must renovate itself first.

For the party to do so, those who expressed their opinion believed that the forthcoming party congress should very correctly evaluate the very complex events in the world on the basis of the new awarenesses of socialism and modern capitalism, with rational interpretation and conclusions at a general theoretical level, so as to help the party and people as a whole to have a correct awareness and to set the right direction. At the same time, it should also review and evaluate very accurately what has been done and what has not yet been done in the party's leadership work to carry out the renovation since the sixth party congress. There should be clear analyses of the reasons and a clear determination of responsibilities, and both must be profound and highly general. Many participants pointed out that the main thing that should be evaluated was "leadership over implementation," instead of "implementation," and that it should include how to assume leadership within the party, state leadership, and leadership over mass organizations and society as a whole.

In order to let delegates at the congress have a complete basis for discussions, in addition to the political report, there should be specialized reports from party and youth union chapters, the National Assembly, Council of Ministers, sectors, and social strata on the economic, cultural, social, national defense, foreign affairs, and other fields, and on the results obtained from organizing the implementation of the party's actual guidelines, positions, and policies.

For instance, there could be a number of reports on the following: Despite the party's view that people are the decisive factor in the success of any revolutionary work, why have culture and education not yet been developed fully so as to play their role correctly and have instead deteriorated to an alarming level? Besides any actual proofs, there should be analyses and explanations aimed at finding the real reasons. Some reasons had to do with the party's position, others with leadership, and still others with the effort to organize implementation, ranging from awareness and ideology to actual measures in training, using, organizing management, procedures and policies adopted by leadership and management echelons and the basic level, and so on. Comparison with the preceding revolutionary stages could be made to see why sometimes we have encountered greater difficulties than the present ones, particularly in regard to the material base, and yet culture and education did not deteriorate as they have lately. At the same time, in this overall situation, there should be an accurate evaluation of whatever work we have achieved and done.

To report in this manner would make considerable contributions to clarifying the issues mentioned in the political report, helping the delegates at the seventh party congress to have very accurate bases for discussions, and determining the major directions, tasks, and measures for the party in the time to come.

At present, to switch from the state-subsidized economy to a market economy is raising many questions that are

very new and need to be answered so as to create identical awarenesses, thinking, and actions in the party and among the people and thus to generate the necessary material power. On the basis of this reality, many participants thought that the draft political report and other drafts should contain clear statements so as to help people to have new awarenesses suitable for the present era regarding the road to socialism, social classes, the class struggle, the right of ownership, the fight against exploitation, wealth and prosperity, and so on—all of these would serve as the basis for helping everybody and every class to clearly define objectives and ideals, and as a guide for every action in the face of the complicated and changing world and domestic situation today. For both party members and the masses, this is an urgent need.

#### Remarks on Implementation of Democracy

912E0155A Hanoi NHAN DAN in Vietnamese  
21 Mar 91 pp 1, 4

[Article by Pham Quang Nghi: "Democracy: Open or Closed?"]

[Text] We are witnessing the situation of the most seething debate and demands for democracy ever. The demands for democracy in Vietnam and abroad, at many different levels, are very strident. So that the democratic aspirations of those people do not encroach upon and restrict others, our party at an early date set forth the principles for implementing democracy in the renovation process. They are: "Building socialist democracy and bringing into play the people's mastership right in all spheres of social life are both the goals and the motive force of the enterprise of building socialism. Democracy must be accompanied by centralization, discipline, laws, and a sense of responsibility by citizens. Democracy must be guided, so that it will develop in the right direction. However, it must be guided by democratic methods. The people must be treated democratically, but those who sabotage the accomplishments of the revolution, security and order, and public safety must be dealt with sternly." (Resolution of the Sixth Session of the Sixth party Central Committee Plenum.)

Although there are still many things that do not fulfill the people's desires, no one can deny the past accomplishments of our party and people in democratizing the spheres of social life.

The development of democracy in the economic sphere has brought about important results. After decades of groping and paying the price, the party decided to implement the policy of a multicomponent economy, and regards that as a matter of long-range strategic significance. By resolutely abandoning the economic management mechanism of bureaucratic centralism and subsidies we are overcoming the concepts and working methods that violate objective laws and democracy, such as impatience in reforming the economic components and applying pressure to rapidly transform the economic

components into state ownership, collective ownership, and so forth. The state economic component received priority and special treatment in the past, but with the old economic mechanisms the people who directly managed production and commerce were not given autonomy. Nearly everything was done in accord with orders from above. With the changeover to the new mechanism, everyone, from the leaders and managers to the producers, in all economic components have been given autonomy and their spirit of creativity and responsibility is stronger than in the past. The democratic economic policies have contributed to creating an animated atmosphere in our society. Allowing all economic components and workers to select their sectors and trades, scale of production, markets for their products, and so on, is in accord with the provisions of law and is a policy that manifests a profound democratic spirit.

Democratization in the economic sphere was a major advance and signified the liberation of tens of millions of people. It has brought about for the people not abstract democratic values, but concrete results in many important spheres of social life: A more plentiful supply of goods than in the past, the elimination of the ban on private producers' markets, and no longer having to stand in line to buy goods have been clear improvements in the lives of tens of millions of peasants. In addition, the country has grain to export, and so forth.

The results of implementing democracy are also manifested in the gradual renovation of the activities of the political system, along the lines of clearly delineating the authority and responsibility of the party organs and the state organs and respecting the authority of the popularly elected organs.

The policy of developing democracy and heightening the mastership role of the people is also creating a new quality, an enthusiastic atmosphere, and confidence in the political life of society. In the circumstances of many complicated changes taking place in the world, Vietnam's renovation, economic progress, and political stability are the most important preconditions for our people to realize their democratic aspirations.

Another important sphere in which the implementation of democracy has made much progress is that of ideology, in which the people's right to know is of utmost importance. Lenin said that illiterate people stand outside politics. Similarly, people who are not informed cannot participate in politics.

In daily life, people's information needs are very diverse and steadily increase. In fact, in recent years it has been demonstrated that the expansion and development of democracy in the ideological sphere have not only contributed to increasing positiveness in production labor and enabling the products of society to be plentiful, but have also created a richness of thought, opinion, and theory. We have not yet resolved all the new, complicated problems that have been posed by actual life, but the intelligence and independent, creative thought of our

party and people have successfully resolved many of the real problems that have arisen in the renovation process.

The process of implementing democracy has begun to partly overcome the negative phenomena and lack of democracy in the party and among the people, the undemocratic vestiges of the old regime, and has continually struggled against the forces hostile to socialism.

In the process of implementing renovation, in addition to the many good people there have appeared a considerable number of opportunists, malcontents, demagogues, and so on, who are exploiting the expansion of democracy and openness to engage in activities that cause society instability. Many of them are loudly demanding the implementation of unrestricted democracy and openness, but in fact they want to reserve for themselves the right to serve as spokesmen, monopolize the forum, and impose their opinions on others.

There are people who have constructive motives but because they are impatient and subjective their desires are usually separate from actual conditions or else they want only to imitate everything that is being said or done abroad regarding democracy, without taking into consideration the specific conditions and the adverse consequences that could result. Although they have good motives, their desires cannot be realized. Furthermore, if we do as they wish the disintegration of democracy will become even greater.

There have been a considerable number of rumors and critical remarks that our democracy is "half-hearted" and was "ended as soon as it was begun," etc. Some people say that our working methods are "chicken-hearted" and "illusory," that we dare not introduce full democracy, dare not implement unrestricted democracy and openness, and so on. Our people, furthermore, have never experienced "full democracy" and "unrestricted openness," but understand clearly that democracy is not a game. Democracy always requires a sense of responsibility and can never be vague or illusory. We are practical people who know that the path is long and if we travel it we will arrive. No one runs full best only to be out of breath even before the enemy is sighted.

It was truly strange when someone posed a question about the French bourgeois revolution of 1789: "Why did a revolution in the name of liberation, freedom, and humanitarianism condemn King Louis XVI to death?" Today, such questions are also being asked by some people who want to deny the democratic accomplishments and leadership role of the party. They ask the question, "Why speak of developing democracy but also speak of leadership by the party?" They hope to put the party and democracy in opposition to do away with the party's leadership role.

As regards the first question, the bourgeois call came up with an answer: to forgive Louis XVI would have been to change the past to annihilate the present. It was necessary, by means of the blade of the guillotine, to absolutely transfer the authority of a royal dynasty in the

form of a monarchy to the hands of the people, in the form of a humanistic system. People do not condemn the French bourgeois revolution of 1789 for killing King Louis XVI as being democratic, just as in the past they did not severely condemn the killing of enslaved prisoners of war who, although they had the right to live, died anyway because they had nothing to eat.

The second question, which is being posed by some people, is only a ruse to criticize our democracy and the leadership role of the party, the factor guaranteeing implementation of the democratization process. Of course, we are referring to proper leadership, by democratic methods, to develop democracy, not arbitrary, dictatorial leadership. With that spirit, we will not waver or be victimized by people who scheme to oppose our people's democracy.

In the process of working, studying, and gaining experience, our people have seen that the direction of expanding democracy and openness which our party set and is following, is correct. That process does not take place automatically; its implementation demands leadership by the party. It has given rise to many new, positive factors which serve to promote the advance of the economic-social processes, and also has exposed distorted, vague tendencies toward democracy, which could easily cause the democratization process to encounter new difficulties and obstacles and could create a chaotic, complicated situation on the path of advance. Conservatism and dogmatism, as well as subjectivism and impatience, impede the democratization process.

Our people's experience in democracy has been gained not only from the nation's actual situation and from their own experiences in the long revolutionary struggle, but also from the realities that people in many countries have just experienced. In those countries the new rulers promised to give their people the gifts of democracy, which they had boasted would be much better. Unfortunately, after the loyal communists and true democrats naively gave them the authority to implement democracy, and after they took power, they quickly forgot their promises. The people, especially the communists, in those countries, are receiving the bitter gifts of democracy: discrimination, revenge, and slander against communists; laying off people who do not share the same views; and so forth. Today, the disgust and disappointment of the people in those countries are not longer secret. That is not difficult to understand!

It would be one-sided and an oversight if we did not mention the limitations, mistakes, and even incompetence in our democratization process. That will be dealt with in another article. Here we want to say only one thing about democracy: We began it and have not ended it. It has only been guided, not ended. No one should be mistaken about that.

## MILITARY

### Commander Stresses Coordination With Localities

912E0162A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 5 Mar 91 p 2

[Article by Lieutenant General Chu Duy Kinh, commander, Capital Military Region: "Capital Military Region Actively Coordinates Its Work With Mass Organizations and Sectors To Step up Local Defense Activities"]

[Text] Originating from the task of defending the leading organs of the party and state, maintaining security and order in the capital city, and preventing and smashing any enemy sabotage plots aimed at the heart of the fatherland, on this day 12 years ago the Capital Military Region (CMR) was established.

For a military region operating within the limits of a municipality, although there are many advantages, there are also many difficulties peculiar to the city that serves as a political, economic, and cultural center. That is why, in addition to the same functions and tasks as those of other military regions, the CMR also serves as the direct staff organ of the local party committee echelons and administration; builds the local armed forces; and actively coordinates its work with the local mass organizations, people, and sectors to step up national defense work in the municipality and at the precinct, district, and city levels. In the last several years, the CRM party organization and military command were urging their cadres and soldiers to fully understand these functions and tasks; as a result, remarkable achievements have been made in their activities.

Since we decided that maintaining security and order in the capital city would be the regular central task of the CMR armed forces, appropriate and effective investment has been made in leadership and command work. In close coordination with the people's public security and other forces, the armed forces of the capital actively drafted plans, organized forces, assumed command and operations for coordinated and independent combat activities, prevented in time all enemy sabotage plots, stopped all evidences of potential troublemaking by bad people, and maintained security and order in the capital city. In the last few years, through their deeds the CMR cadres and soldiers succeeded in regaining the people's confidence in the Army; the Hanoi Municipal CPV [Communist Party of Vietnam] Committee, People's Committee, and people in the rural districts, hoping to arouse the traditional nature of Uncle Ho's troops, were highly assessing the role of the CMR armed forces in resolving cases of troublemaking in Ha Bang (Thach That District), Chu Minh, and Phu Cuong (Ba Vi District). The strict discipline observed by cadres and soldiers was also clearly shown in the entire period of implementing the Council of Ministers' Directive 135. In Phase 7 of this directive alone, the armed forces of the capital mobilized 37,365 persons/times to handle and

reorganize 7,000 military personnel and vehicles that violated Army discipline and state laws and to prevent negative signs from appearing in the performance of their task. In the task of maintaining security and order in the capital city, a mechanism was adopted to coordinate the activities of all forces, particularly those of the militia, self-defense, and civil defense guard forces.

In addition to 728 neighborhood civil defense units and 1,049 hamlet and village civil defense units (organized and commanded by the public security forces), there are 1,093 militia and self-defense detachments assigned the task of maintaining security and order, and consisting of more than 10,000 people serving as active, semiactive, and reserve members. This is the hard-core assault force in the locality operating on the production, security- and order-maintaining, and natural calamities-fighting fronts. In order to satisfy the need for civil defense and defense-area activities, under the leadership of the Ministries of National Defense and Public Health, the CMR has coordinated its work with the Hanoi Public Health Service to study and develop both the theory and model for organizing specialized public health self-defense units. This study has been progressing nicely, with actual work being carried out in a rural district to get experience for eventual expansion in the entire municipality and to allow the ministry to provide leadership for establishing specialized public health self-defense units throughout the country.

An important task that the armed forces of the capital devoted much time to in past years was national defense education and general military training. It put heavy responsibility on the "shoulders" of the CMR. Shortly after the state had promulgated the Military Obligation Law, the (former) minister of education and chief of the general staff assigned the CMR and Hanoi Education Service the task of organizing experimental military training in middle schools for the purpose of providing the country with experience in organizing such training. The CMR staff actively discussed and coordinated its work with the Education Service to select four schools to take part in the pilot project, to unify the training programs, to distribute responsibilities, and to prepare the material base for training. Right after the first school year (1982-83), more than 30 officers of lieutenant rank were sent from the military region to schools to serve as instructors. After a few initial training sessions, the schools found that it would be both necessary and useful to provide students with a general military knowledge. The military conduct requirements made the young people more eloquent and well-behaved, and impressed upon them a greater sense of discipline and a more profound understanding of citizens' responsibilities for the duty to defend the fatherland. However, the military education given to students remained simplistic, coarse, unattractive, and poor in terms of learning quality. The greatest restriction in this matter was the quality of instructors and the policy mechanism that would guarantee the teaching of military subjects. It was this restriction that prevented the new method of military training

from being expanded among the Hanoi middle schools. Currently we continue to coordinate our work with Department I of the Ministry of Education and Training and Department of Militia and Self-Defense Forces of the General Staff in a survey in six middle schools for the purpose of recommending the right policy mechanism and training programs suitable for the young in terms of psychological and physiological needs. We must also admit that although there was improvement in national defense education in the last two years in a number of wards and districts (on the occasion of the all-people national defense celebrations), the results were still very poor and lacked depth and order. This was one of the reasons that have led to delays in resolving the problem of draft evasion among the youths and desertion among military personnel in Hanoi.

As to the aspects of our work where restrictions remain, because there are many reasons arising from many sources, the CMR itself is unable to resolve them immediately and must instead rely on simultaneous work of all echelons and sectors and coordination among all of them. However, it has defined the important and central work to be done and has adopted the necessary plans and measures to be carried out in every stage. In 1991, we are determined to consolidate and reorganize the self-defense forces in subwards. This is a weakness that has existed for many years. The CMR organs have actively coordinated their work with the municipality's administration organizers in officially naming subward military cadres as regular positions, thus avoiding the situation in which military cadres have to do many things at the same time or are only retired cadres having poor health and working as contractual personnel. We continue to require thorough understanding of Directive 55 of the Secretariat and Decree 29/HDBT of the Council of Ministers, which direct the activities of the militia and self-defense forces toward maintaining order and security and fighting disturbances and riots. We serve as the staff of party committee and administration echelons in the efforts to consolidate these forces; to improve their overall quality, especially political quality; and to make them really become hard-core assault forces in production, in maintaining security and order, and in protecting the party and administration at the basic level. We are trying hard and believing that 1991 is the year in which villages, subwards, organs, enterprises, and schools maintain their own mobile militia and self-defense platoons; hamlets, population clusters, shops, and production units, their own militia and self-defense combat squads; and wards and districts, two or three militia and self-defense companies and branches of service (anti-aircraft, engineering).

After 12 years of building, combat, and growing, we have come to the conclusion that in order to let the CMR armed forces continue to move forward and to properly fulfill their political task, the CMR cadres and soldiers must ceaselessly improve their ability to do staff and mass proselytizing work, remain close to the basic level and work patiently and steadily with it, and actively

coordinate their work with the services and sectors so as to discuss and unify their action.

### **Militia, Self-Defense Forces Security Tasks**

912E0162B Hanoi QUAN DOI NHAN DAN  
in Vietnamese 22 Mar 91 p 2

[Article by Thai Thanh Binh: "Militia and Self-Defense Forces in Many Localities Fail To Fulfill Properly Security- and Order-Maintaining Task"]

[Text] One of the four basic tasks of the militia and self-defense forces as defined in their statutes (issued along with Decree 29/HDBT, dated 29 January 1990, of the Council of Ministers) is as follows: "In coordination with the people's public security and other regular forces, to maintain political security and social order and safety; to protect the administration; and to protect the people's lives and properties, and the properties of collectives, the state, and the army in the localities." In an interministerial circular (No. 785/QP-NV), the Ministries of National Defense and Interior also affirm that "the militia and self-defense forces, and the public security forces of villages and subwards, as the defenders of organs and enterprises, serve as the hard-core forces for the people to maintain security and order at the basic level"; consequently, to provide leadership in order to improve the effectiveness of the militia and self-defense forces' activities in properly maintaining security and order at the basic level has a very important significance and is an urgent need in the present situation.

Although the activities of the militia and self-defense forces in 1990 were not uniform, with quality remaining limited, compared to what had been achieved prior to 1989 the militia and self-defense movement generally showed considerable changes in all aspects. In many localities and installations, these forces gradually asserted their hard-core role in the task of maintaining security and order, and enjoyed the trust of party committee echelons, the administration, and the people. In the past year, these forces in all localities mobilized 1.24 million members/times for participation in patrol and guard duties and protection of targets; along with the public security forces and the people, they discovered and handled 22,000 cases of violations of the law in connection with public order, mainly in municipalities and cities. In border and coastal provinces, in coordination with other forces, they stopped 8,400 people in 454 cases of illegal border crossing and fleeing by boat; the provinces in the Central Highlands mobilized 18,000 members/times for participation in mopping up operations against bandits, in which 36 of them were killed and 11 weapons of various kinds were captured.

In building, combat, and security activities there appeared typical militia and self-defense units and individuals having achieved good quality and realistic results. The militiamen of Hoai Huong and Hoai Nhon Villages (Binh Dinh) in consecutive years caught many people as they were illegally fleeing the country by boat. The

self-defense unit of the Kien Giang state-operated fishing enterprise caught 101 foreign boats as they were violating our national waters. Members of the Rubber General Corporation self-defense unit caught many people who were stealing socialist properties and recovered 257 tons of latex valued at 650 million dong.

To provide leadership in order to redirect the activities of the militia and self-defense forces toward the security- and order-maintaining task, however, was not carried out vigorously enough. In a number of localities where members of these forces were organized and used, they wrongly carried out such functions and tasks. Many shortcomings remained in the management of these forces and their weapons and equipment. The militia and self-defense movement did not receive appropriate promotion and encouragement because we still lacked the right procedures and policies to reward the militia and self-defense forces' outstanding activities.

In order to bring about strong changes in the task of maintaining security and order at the basic level, all localities and installations must concentrate their efforts on resolving the following matters:

- To regularly attach importance to education aimed at making cadres and soldiers in these forces alert to the multifaceted enemy sabotage plots and tricks. To pay attention to raising the awareness and sense of responsibility of members of these forces and further developing their role and usefulness in maintaining security and order at the basic level.
- To concentrate leadership and guidance on key areas. On a timely basis, to have preliminary and final reviews of, draw experience from, and correctly evaluate the work that has been done or remains to be done; to take timely measures to provide guidance in resolving difficulties and problems having to do with the organization and activities of the militia and self-defense forces, and the relationships between them and other forces (public security, civil guard, civil defense, tax collection, customs, and other forces) so as to develop the combined strength of organizations and forces in the task of maintaining security and order at the basic level.
- Every village, subward, organ, factory, and enterprise must have plans for maintaining security and order and must have a permanent force ready at all times to deal with any unexpected circumstances.
- To have appropriate policies of rewarding outstanding achievements. If the forces, whether they are public security, civil guard, militia, or self-defense forces, scored outstanding achievements and made active contributions to the movement for maintaining security and order, they should be rewarded (both materially and spiritually) in accordance with state procedures and policies, as well as with realistic capabilities of the localities concerned. If it had the right concern and care, the militia and self-defense movement would surely undergo stronger and more realistic changes.



**Core Role of Militia, Self-Defense Forces**  
 912E0175A Hanoi NHAN DAN in Vietnamese  
 15 Apr 91 p 3

[Article by Major General Vu Van Ba: "Building Militia, Self-Defense Forces in New Situation"]

[Text] In recent years, the militia and self-defense forces were widely built in all regions of the country and showed new development in terms of quantity, quality, and the table of organization and equipment. Through their actual construction and combat activities, these forces were trained and tested and displayed their role of serving as the core forces for all-people combat, maintaining public security, and assault activities in productive labor, thus contributing to the successful achievement of the two strategic tasks of building and defending the fatherland.

Although the results obtained have been great, there still exist many weak aspects as we consider the role and task of the militia and self-defense forces in building an all-people national defense and in defending the fatherland in the new revolutionary stage. Although these numerically large forces are widely organized, they have not yet developed their full strength in the fight against the enemy's strategy of total sabotage at the basic level. In some localities, the organization of these forces tends to be heavily formal and upbeat, with a liking for large scale. They rush the "registration to the sounds of drumbeats" manner and without regard for quality, which is thus inappropriate because it does not originate from their real needs and task, nor does it conform to the real situation there. Political education and ideological leadership are neglected; the level of political understanding of members of the militia and self-defense forces remains low. The ranks of military cadres at the basic level usually suffer from changes and little training, resulting in their level of knowledge and capabilities being limited and their failure to respond to needs and their tasks.

In order to fulfill the guidelines and tasks that have been set for them, namely, to thoroughly understand the party's military line in the new revolutionary stage and to organize and build the militia and self-defense forces to achieve the goals of being strong, being widespread, and having good quality, we must promote concentrating efforts on having the same awareness and unified views and principles among all echelons, sectors, and mass organizations, and recognizing the position and role of the militia and self-defense forces in the new situation. We must improve quality, first in terms of ensuring political reliability, of members of the militia and self-defense forces, mostly in key areas, border areas, islands, coastal areas, and where the ethnic minority groups live and the political base is weak, and attach importance to building the self-defense forces among the worker class. The numbers of militiamen and members of self-defense forces should be determined on the basis of the political task, situation, and real capabilities of localities. While

these forces are to remain realistic, compact, and simple, they should have their own productive and occupational structure. Party organizations should bring all of their young and healthy members into the militia and self-defense forces. Importance must be attached to political education, ideological leadership, and the efforts to raise the love for the fatherland and socialism, combat spirit, sense of responsibility, awareness of organization, and discipline of members of these forces. In training, we should make sure that all members go through the entire training program, have a good knowledge of technical and tactical matters, and have the ability to deal effectively with enemy sabotage activities and to maintain order and security at the basic level. We should make the ranks of military cadres complete with a rational and stable structure of their own, with efforts being made to consolidate the ranks of leading military cadres at the basic level; at the same time, continue the planning task and gradually have plans for providing elementary and advanced training so as to have a good supply of new cadres; and in the areas where ethnic minority groups live, train more cadres from such groups. As for equipping the forces with weapons, we should follow the "to fight with any kind of weapons available" formula by considering locally made weapons more common, along with weapons and equipment being provided by the central authorities, combining rudimentary and modern weapons and equipment, and at the same time actively studying how to improve the various kinds of rudimentary and locally made weapons in order to raise their effective capabilities. As an immediate step, we should adjust both the quantity and quality of the pieces of equipment we currently have so as to conform to the needs of individual installations and make sure they are managed, maintained, and used in a safe manner.

As the political security and social order and safety are undergoing complicated changes, we must concentrate leadership on closely coordinating the activities of the militia and self-defense forces with those of the public security and other forces, which together with the people as a whole must deal effectively with the enemy's total sabotage strategy, actively and continually attack criminals, and make their localities clean.

## ECONOMIC

**Status of Foreign Investment in Ho Chi Minh City**

912E0174A Hanoi NHAN DAN in Vietnamese  
 10 Apr 91 p 3

[Article by Nguyen Kien Phuoc and Bang Chau: "Foreign Investment in Ho Chi Minh City"]

[Text] It has been more than three years since our state promulgated the Foreign Investment Law. In fact, during



that time foreign investors have investigated the actual situation in Vietnam and a number of investment projects, primarily midsize and small scale (most of them on a small scale), have been initiated. It has also been a period in which Vietnam's economic units have practiced coming into contact with the world market to create an opening for our country's economy. During that brief period, there have also been advances in foreign investment in Ho Chi Minh City, but many aspects have been confused and deficient.

#### **Advances**

In fact, Ho Chi Minh City did not wait for promulgation of the Investment Law. Several years previously there were contacts and discussions, and a number of joint venture corporations and enterprises were established, such as VITEXCO, Saigon Motors, and Saigon Shipyard. But since promulgation of the Investment Law, that important task has been accelerated and has attained a number of praiseworthy results.

During a three-year period (1988-90) the State Commission on Cooperation and Investment issued 84 permits in Ho Chi Minh City for investment projects, including 48 permits for projects managed by the city and 36 projects managed by the central echelon. That does not include the units from other provinces that operate in areas managed by the city.

The total amount of capital invested was \$361,446,000 and the total amount of legal capital was \$181,760,000, of which Vietnam contributed 38.46 percent. Especially, in 1990 the total amount of capital invested, the amount of legal capital, and Vietnam's capability to contribute capital all increased. In past years the scale of capital invested averaged about \$1 million, but in 1990 one project alone involved legal capital totaling \$30 million.

In March of this year the first international forum on investment was held in Ho Chi Minh City. The results of the forum were very encouraging. The foreign investors highly praised Vietnam's open economic policy and signed 11 cooperative project agreements with a total capital investment of \$246 million. That proves that Vietnam, since the adoption of the Investment Law in December 1987, has been attractive to foreign investors.

It is very noteworthy that foreign investment, with 84 permits issued during the past three years, has generally gone in the right direction and has concentrated on the production sectors, such as the production and processing of seafood, agricultural products and food, clothing, leather shoes for export, the growing and harvesting of forestry raw materials, the assembly and repair of electronic goods, metals, etc., office services, and hotel services and businesses.

During three years of implementing the Investment Law, it can be stated generally, on the basis of the actual development of the investment work, that the number of foreign guests who come to Vietnam and Ho Chi Minh City to make inquiries with the intention of "doing

business" has grown steadily. Therefore, the number of investment projects has increased and the management organs and economic units have begun to accumulate knowledge and experience which has caused the counterparts from abroad to have more confidence in our renovation policy, the foundation of which is political and social stability. The foreign investors, especially the large corporations in the region and even in Western Europe, have begun to participate in the projects or are actively preparing to "do business" with Vietnam. At the forum, Vietnam also introduced to the world a large number of new projects included in in-depth investment programs to create a large volume of export goods, in which Ho Chi Minh City has projects to develop the agricultural, crop and livestock genetics, and processing industry sectors, so that the city can truly be a center of agricultural genetics and a processing center with high-level technology for the entire Nam Bo region. In those development investment projects the city has given priority to raising capital to build the infrastructure (bridges, roads, utilities, warehouses, ports, airports, and so forth), a key factor in enabling our economy to take off. In addition, the city has created conditions so that foreign investors can invest in the service sectors (banking, tourism, cultural and social installations, physical education and sports, etc.). Under difficult economic conditions in the city and in the nation as a whole, the foreign investment work's goals of mobilizing capital (even within Vietnam), rapidly renovating industrial technology, and creating jobs for large numbers of workers, are correct. If the city meets the 1991 goal of raising \$250 million in foreign investment, that will be an important advance of great significance for the socio-economic development of the entire nation.

#### **The Investment Environment Must Be Convenient and Attractive**

It is still too early to evaluate the economic effectiveness of each project or of the entire foreign investment task in Ho Chi Minh City, for each project is carried out over a period of 10, 20, or 30 years. But during the three years of the investment law, on the basis of the specific tasks of the process of carrying out a project (determining capabilities, the form of investment, requesting permission and doing the paperwork after permission is granted, and carrying out the project), it is possible to see that many aspects are still deficient and confused and there are considerable obstacles. That has resulted in a general observation that is not without foundation: the investment law was like opening the front door and giving an invitation, but the documents implementing the law have been promulgated late or have not yet been promulgated, which is like the doors to the rooms being closed or opened only slightly. For example, with regard to management, of the 84 projects that have been approved, by the end of 1990 only 26 units had registered accounting books and only 34 units had made regular financial reports. The levels of the personal income tax, the IKD, CKD, and SKD export-import taxes, natural resource taxes, commercial income tax,

bank transfer tax, etc., have not yet been set specifically. Last year, only eight units paid taxes in foreign exchange or Vietnamese money. As for the other taxes, such as electricity, water, and so on, they have been widely ignored. The financial sector has only recently promulgated guidelines for construction land rent, but it is too broad (the highest price is 36 times greater than the lowest price), which could easily cause an excessive disparity within a locality or area and result in complaints about preferential treatment to encourage foreign investment. To date, practically none of the units with investment authorization has a land grant permit or a land rental contract, and some units have even begun construction before receiving an investment permit. That shows that the location of construction sites of the corporations and enterprises is still spontaneous and is not yet closely managed. Even circulars implementing the labor regulations vis-a-vis units with foreign investment capital (for example, unskilled workers receiving \$50 a month) have been promulgated tardily and have not yet been implemented.

A key objective and an essential investment environment in the investment work in general and in each project is the active mobilization of capital, and all sides must contribute capital in accord with the amounts allowed by the project. In recent years, although the total amount of investment capital and legal capital has increased considerably, in general the increase has been slow and there have been a considerable number of violations. Of the investment permits that have been issued, in only 15 projects have both sides contributed the full amount of legal capital, in 17 projects insufficient amounts have been contributed, and in 21 projects no capital has been contributed. Therefore, bringing the joint venture corporations into operation has been slow. Fifty projects are now in operation, 10 projects are undergoing basic construction, nothing has yet been done in the case of 24 projects, and permits have been withdrawn in the case of six projects. The mobilization of foreign capital for investment in Vietnam is related to a large number of specific stands and policies, especially those regarding finance, banking, and even the investment formula.

First of all, as regards the investment formula, in only five of the 84 projects that have received permits has the foreign investor invested 100 percent of the capital, while the overwhelming majority are joint-venture corporations. It is true that each formula has strong points and weak points. The foreign investors tend to invest 100 percent of the capital so that they can control management (in fact, our managerial ability is still limited). In the over-all situation, Ho Chi Minh City and the nation as a whole need large amounts of capital for economic expansion. If only the joint-venture formula is employed, or if that form is emphasized, that may restrict the investment of capital by investors. Furthermore, it is necessary to realize a deficiency of the joint-venture formula during the recent period: Our side wants to account for a high percentage of the legal

capital, but our actual capability is very small and we usually contribute only in the form of factory buildings, land, and some equipment that is still usable (but usually outmoded), so our side is usually slow or insufficient when contributing legal capital and that is an excuse for the counterpart to contribute slowly. In addition, if the capital is contributed only by the investor and if the shareholding form is not expanded, there will be a chronic shortage of capital. It is encouraging that the Investment Law was supplemented recently to allow each side to include many economic organizations to invest jointly in a project or program. That is a new advantage.

Banking activities are related to providing capital. The open mechanism is a bold mechanism that allows a counterpart country or corporation to set up a bank in Vietnam (or a branch or banking agent). During the three years of implementing the Investment Law there has been only one bank—Indovina—which has been largely inactive and too circumspect. An extremely important matter is that the mobilization and use of capital in Vietnam must be more open and bold so that the Investment Law can be highly effective. Recently, the city mobilized sources of capital among the people for an investment program to produce Heineken beer, which is a model that must be further expanded.

In order to have an open investment environment, an indispensable factor is that, in addition to our side taking the initiative in calling for investment by setting up projects to be introduced at forums in Vietnam and abroad, it is also very necessary to have up-to-date and reliable sources of information about investment experiences in the world, especially information about the counterpart corporations.

Economic information must be concentrated, and we must enable foreigners to come to the city and Vietnam easily, conveniently, and quickly to make studies and to invest effectively. There must be a unified system for reviewing applications for investment projects at the central and local levels, and the investment management organizations must be streamlined and not have many layers and steps, as in the recent past. Perhaps we should boldly decentralize: Large-scale projects should be considered by the State Commission on Cooperation and Investment, and local administrations should consider and issue permits for small-scale projects.

Initial practice during the three years of implementing the Investment Law have revealed a major deficiency regarding cadres. Although they have accumulated some business experience, in general they are lacking and inexperienced, including even the management cadres, the decisionmaking cadres, and cadres involved directly in production and business in the units with foreign investment capital. That is a matter of decisive importance. If we do not urgently train and cultivate the cadres we will repeat the situation of assigning cadres incapable of defending the interests of the nation and of each locality. We must promptly perfect and supplement a

number of economic laws and policies related to investment, which would be to create the best environment to attract foreign investors.

### **Labor Minister on Sending Workers Overseas**

912E0173A Hanoi NHAN DAN in Vietnamese 8 Apr 91  
p 3

[Article by Tran Dinh Hoan, minister of labor, war invalids, and social welfare: "Sending Vietnamese Workers To Work Abroad Between Now and 2000"]

[Text] Due to the changes in the political and social situation in East Europe and the Middle East last year, two-thirds of the more than 280,000 Vietnamese workers in those two regions have returned home and the return is continuing. Even so, the party and state still regard the exporting of labor as a strategic mission for the future. Of course, the market for labor exports will be larger, richer, and also more demanding. In that spirit, an international seminar on labor policies and management in foreign countries was held recently in Hanoi. We would like to present the speech by Tran Dinh Hoan, minister of labor, war invalids, and social welfare, at that conference:

Since 1980, at the request of a number of countries the government of Vietnam has followed the policy of sending Vietnamese workers to work abroad, in order to provide jobs for some youths and so that, by means of cooperative programs, those countries can train skilled workers to meet Vietnam's future economic development needs.

With the implementation of that policy, international cooperative activities regarding Vietnamese workers achieved important initial results over a 10-year period (1980-90).

First, it provided jobs for more than 280,000 workers for a certain period (two to six years). That is a very small number, but in the socioeconomic conditions of Vietnam it is significant in many respects. It provided for the state funds to invest in creating jobs and met the consumer needs of those workers, totaling hundreds of billions of Vietnamese dong and about 250,000 tons of rice. Furthermore, tens of thousands of workers in Vietnam had jobs because of service organization and management and because of the needs of workers working abroad.

Second, a corps of skilled workers was trained, or their skills improved. In addition, they gained an industrial work style and management experience and skills.

Third, the incomes of those workers and the living standards of their families were raised.

Fourth, the foreign exchange and goods they bring back made a definite contribution toward balancing money and goods in our country.

Fifth, exported labor contributed to increasing mutual understanding between Vietnam and other countries.

In addition to the above-mentioned results that were attained, some aspects of Vietnam's international labor cooperation activities must be improved, renovated, and perfected. We have been slow to change the management mechanism and to renovate and codify the system of policies; the method of cooperation is still unimaginative and is heavily administrative; and the social aspect of international labor cooperation is still beset with many problems that have not been studied and resolved.

As it begins the decade of the nineties, Vietnam has a population of 66 million, including 34 million people of working age. By the year 2000 it will have a population of about 89 million, with 45-46 million workers. Also by the year 2000 we must essentially resolve the problem of jobs for workers.

The draft strategy to stabilize and develop the economy and society of Vietnam by the year 2000 advocates sending Vietnamese workers to work abroad in many forms. In order to carry out that policy, Vietnam's international labor cooperation activities must be fundamentally renovated during the coming period.

First, the objective of those activities must be redefined. The deep-seated root of that matter is the new background of Vietnam and the international community. The international convergence of the other market components inevitably results in the international convergence of the labor market. Against that objective background, the goal of sending workers to work abroad is socioeconomic efficiency.

Second, the principles of Vietnam's activities in that regard are mutual benefit and mutual responsibility. Vietnam's participation is based on the viewpoint of sending workers abroad so that, after they return, they can participate in building the fatherland, so it pays all-out attention to training workers in vocational skills, languages, management, and so on.

Third, our country has the policy of sending workers to all countries needing to employ Vietnamese workers. We will continue to send workers to the Soviet Union and some East European countries, while expanding the market for Vietnamese workers in the Middle East, Africa, the EEC countries, the north European countries, the ASEAN countries, Laos, Cambodia, and so forth.

Fourth, we will diversify the mix of workers sent to work abroad, to include unskilled workers, skilled workers, engineers, supervisors, and technical cadres.

Fifth, the Vietnamese Government will permit the signing of overseas labor contracts directly between the economic units of the two countries, under unified state management by the Ministry of Labor, War Invalids, and Social Welfare. The economic units of the sectors and localities in Vietnam must ensure that the conditions of the contracts are tight and are in accord with

Vietnamese and international law regarding employment, salaries, living and working conditions, and security, and that part of the workers' earnings are transferred back to Vietnam.

Sending workers to work abroad is an important strategy of Vietnam for the coming period. But sending workers abroad, something Vietnam desires to do, also depends on the needs of the labor markets in those countries. Therefore, whether that strategy is carried out effectively or not depends also on the countries using Vietnamese labor.

In coordination with other countries, we are rapidly creating an environment and conditions for sending Vietnamese workers to work abroad. First of all, we must mention the imminent promulgation of Vietnam's labor code and the setting up of a general corporation within the Ministry of Labor, War Invalids and Social Welfare to send workers abroad.

#### **Conferences Held To Assess Market Management** *912E0170A Hanoi NHAN DAN in Vietnamese* *13 Apr 91 pp 1, 4*

[Article by Hong Khanh: "The Good and Unacceptable Aspects of Market Management"]

[Text] The central guidance committee for market management recently held conferences in Hanoi and Ho Chi Minh City for market management cadres from all provinces and municipalities throughout the country. The meetings were aimed at evaluating the work in 1990; contributing ideas to the draft documents on perfecting the organization of intersector control units, on the regulations having to do with the organization and activities of these units, on distribution and use of bonuses, and on financial management of special intersector control units; and discussing the measures to be taken to fulfill the 1991 task.

There were some positive changes in market management in 1990. On the basis of the state regulations and with the free circulation mechanism set up by the law, there appeared on the market many economic components and many forces that took part in business activities and competed with one another; as a result, the market showed many characteristics that were different from those in the previous year. The control and organization of business registration became more complicated. By the end of 1990, nearly 75 percent of all professional business households throughout the country were officially registered. The system of bookkeeping, statistics, and accounting in the state-operated economic sector and in marketing cooperatives was observed relatively correctly. A noteworthy fact in the fight against smuggling was that the market management forces discovered thousands of cases of smuggling; seized and held hundreds of billions of dong worth of smuggled goods; at the same time controlled, discovered, and handled 250,000 cases of illegal business and tax evasion; and

imposed fines and collected overdue taxes amounting to more than 40 billion dong, which were put into the state budget.

The conferences also analyzed and pointed to the remaining problems, weaknesses, and reasons behind the actual situation. The business registration system, which underwent many changes and was far from uniform, was not observed everywhere, for the means and capacity to carry it out were lacking. Since 1990 the state has issued five new texts of the regulations on business registration, in which a few provisions were contradictory to one another. As a result, localities had different ways to carry them out, with the business registration task being assigned either to the commerce organs or to the taxation or other organs. The business registration management machinery of the commerce organs has been reduced in size to such an extent that in some localities it would be unable to issue in time certificates of registration to registrants. The taxation organs have not yet prepared themselves for carrying out the business registration procedures. In the meantime, many subwards and villages have been acting on their own initiative to issue business permits without relying on any regulations, as they just wanted to get hold of a source of income for their budget. In the private economic sector and in most organ and mass organization economic units, there have been violations of bookkeeping and accounting procedures (5 percent of households in the key localities did not open any records of business or use any valid documents). More common was the practice of recording incomplete or inaccurate information on business activities and using wrong invoices and documents in order to avoid paying taxes and hiding shady business deals and violations of the law. The results obtained from the fight against smuggling were rather scanty and irregular because too few cases had been discovered and handled, even though the projected volume had been only about 10 percent of the actual number of cases. Although many cases were prosecuted and many smugglers were caught, the organized smuggling gangs and their leaders somehow have not yet been struck.

As for the 1991 market management task, after having analyzed and pointed to the reasons behind the good and unacceptable aspects, the conferences affirmed that special attention should be paid to strengthening inspection and control in conformity with the law so as to ensure the practice of legal free business. The many measures that were suggested would concentrate on achieving the three following goals: To ensure that state laws on commercial enterprises and market services be observed by all organizations and business people. To continue to stop and push back smuggling activities across land borders, at sea, and by air, with immediate attention still to be paid to mopping up operations against illegal imports of foreign cigarettes and illegal export of non-ferrous metals. To coordinate the organization of efforts to stop and eliminate the production and trade of counterfeit goods, first of all the ones having direct effects on the standard of living.

### **Directive on Capital Entrustment in Economic Units**

*BK1505065191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 May 91*

[Text] On 25 April 1991, the chairman of the Council of Ministers issued Directive No. 138 on broadening the entrustment of power to use capital and the responsibility for capital preservation in state-run grassroots units. The directive states:

In order to broaden the entrustment of capital to all state-run economic units, the chairman of the Council of Ministers instructs the implementation of entrusting the right of use and responsibility for capital preservation and development in the state-run economic units directly subordinate to the central government, ministries, local governments, and the people's committees of provinces, cities, and special zones, districts, and wards.

Before implementation of the capital entrustment, ministries and people's committees are to direct and instruct their state-run economic units to rearrange business management and to review the fixed working capital and its capacity.

The time allocated to basically complete the capital entrustment for state-run economic units is 1 July 1991.

The point of reference for announcing figures to be included in the capital entrustment is from 1 January 1991 on the basis of the stock inventory on 1 January 1990 and the adjusted capital figure for 1990.

### **Nationwide Winter-Spring Crops Reported**

*BK2205173991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 May 91*

[Text] As of 15 May, peasants throughout the country had grown more than 680,000 hectares of winter-spring subsidiary food crops, fulfilling more than 77 percent of the cultivation plan and exceeding the area planted during the same period last year. Ha Son Binh, Hoang Lien Son, Bac Thai, Son La, Quang Binh, and Nghe Tinh Provinces have guided the people of various ethnic minorities in growing good strains of cassava capable of producing high yields, thus helping reduce food shortages during the preharvest lean period expected to occur between late 1991 and early 1992.

Aside from corn, sweet potato, and cassava, peasants in Ha Son Binh, Son La, and Vinh Phu Province have made the fullest use of land in various valleys with high humidity to grow galanga, which will be processed to produce vermicelli flour. In addition to planting subsidiary food crops, various localities have grown nearly 200,000 hectares of vegetables and legumes for their own consumption and delivery to the cities and population centers.

### **State Bank Sets Up General Control Department**

*BK1705051691 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 May*

[Text] To strengthen inspection of and control over monetary, credit, and banking activities under conditions of banks shifting to business operations and non-governmental credit organizations coming into being and operating under the new mechanism, the Vietnam State Bank recently set up the State Bank General Control Department [Vuj Toongr Kieemr Sats Ngaan Hangf Nhaf Nuwows]. This is a unit directly subordinate to the central bank. Together with two other units—the State Bank Inspection and Bank Management Departments—the new department will form a network to carry out inspection, management, and control over the operations of all banks and credit organizations in keeping with the Regulation on Banks.

The State Bank General Control Department has the function of controlling all aspects of activities within the state bank system and is empowered to inspect the banking service's personnel and cadres. If the state banks receive complaints about or denunciations of negative practices, the department has the duty to directly investigate and consider the charges.

### **Taiwan Firm Funds Joint Venture in Tourism**

*BK1605152391 Hanoi VNA in English 1349 GMT 16 May 91*

[Text] Hanoi VNA May 16—Vung Tau-fairy land is the name of a joint venture between the Vung Tau-Con Dao Tourist Service Company and the Paradise Development and Investment Company in Taiwan. Vung Tau is a renowned beach resort in southern Vietnam, more than one hundred kilometres east of Ho Chi Minh City. The venture has an investment capital of 97.2 million U.S. dollars and an authorized capital of 61 million U.S. dollars. It is 75 percent owned by Taiwan.

It plans to build a cultural, sport, and tourist centre including a three-star 1,500-room hotel, a sport area and a park.

### **Joint House Building Venture With Taiwan**

*BK2005065391 Hanoi VNA in English 0601 GMT 20 May 91*

[Text] Hanoi VNA May 20—The housing development company of the 5th precinct, Ho Chi Minh City, and the Pan Viet Company of Cetra Group of Taiwan, has inaugurated a five-storeyed residential building in Cho Lon in the city.

The joint venture, the first of its kind was built a year ago with the foreign investment of more than 2 million flooring space of 15,196 square metres.

Besides, the housing development company and the Taiwanese company will cooperate in building a nine-storeyed building for dwelling, trading and foreign offices in the fourth quarter of this year.

### **Agricultural Joint Ventures With French, Swiss Firms**

*BK2105140291 Hanoi VNA in English 1304 GMT  
21 May 91*

[Text] Hanoi VNA May 21—A joint venture on building a factory specializing in silos and farm product processing equipment has been contracted between the Food Industry Equipment Factory No. 2 and three French companies, Lorin Caradot International, ACMB and Agroalliance.

The venture, named Acvilor, will work in 20 years. It has a prescribed capital of 4.5 million francs to which the French side contributed 65 per cent. When completed the factory can annually build from 70 to 80 silos with a capacity of 1,000 tons of rice each, ten 400-ton rice drying stations, and other equipment for transporting and processing farm produce.

An insecticide workshop with a capacity of 16,000 litres a day has been put into commission in Chau Thanh District, Tien Giang Province. This is a joint venture between the plant protection station of Tien Giang Province and the Cibageigy Plant Protection Company of Switzerland. The Swiss company supplied equipment and machines for the workshop and a quality control laboratory totally valued at 640,000 Swiss francs. Tien Giang Province contributed 4 billion Vietnam dong to build the workshop.

## **SOCIAL**

### **Demographic Figures Reported**

#### **Population Growth Continues**

*912E0165A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 12 Mar 91 p 1*

[Article by Hoang Hai: "Our Country Now Has 66.3 Million People; Population Increased by Approximately 1.6 Million, a Population Rate of 2.2 Percent"]

[Text] According to calculations by the National Commission on Population and Family Planning in conjunction with responsible agencies, Vietnam's population increased from 64.7 million people in 1989 to 66.3 million people in 1990, an increase of approximately 1.6 million people. The annual population rate in our country currently is 2.2 percent, making the population problem truly an explosive phenomenon.

For more than 30 years and especially in the past eight years, with the state taking an interest, the effort to limit the rate of population increase in our country has undergone a number of changes. In just the recent eight years,

the population increase has tended to decline even though the annual rate of population growth has remained at a level over 2 percent. According to calculations, each year this figure drops 0.46 per thousand. However, measures to limit the population rise still overemphasize administration and slight education in order for every person and circle to understand and be conscious of carrying out family-planning measures. Primarily for this reason, the birth rate for the third child in the rural area is at 60 percent, and each rural family has an average of 4.6 children while each urban family has only 2.2 children.

### **Conference in Hanoi Sets Goals**

*912E0165B Hanoi PHU NU VIETNAM in Vietnamese  
8 Apr 91 p 7*

[Article by Thu Ba: "Population, Family Planning—What Must Be Regained"]

[Excerpts] In March 1991, the National Commission on Population and Family Planning held a conference in Hanoi to review the 1990 population effort and disseminate the 1991 plan to northern provinces and cities. [passage omitted]

Evaluating the results of the population effort in 1990, Nguyen Luc, vice chairman of the standing committee of the National Commission on Population, stated that the 1990 birth rate for the entire country was 30.3 per thousand, down 0.5 per thousand compared with 1989. The death rate is 8.4 per thousand and the rate of natural population increase is 21.9 per thousand. The percentage of married couples using contraception is 42 percent. The population is currently 66.156 million people. The average number of children for a rural woman presently is 4.6 and only 2.2 in the city.

This compares with Vietnam's population in 1950 of 29.8 million people. Thus, for the past 40 years we have given birth to a population equal to the population of another Vietnam! The population increasing so rapidly compared to the gross social product and man's needs increasingly on the rise have created a serious imbalance. The health status of mothers of small children over the past years, despite the considerable attention and assistance of the entire party, our people and international organizations in the world, remains at an alarming level. The percentage of women who weigh less than 40 kilograms is 20 percent and with a height under 1.45 meters is 12.1 percent; the weight increase of pregnant women in the countryside is 6.6 kg plus or minus 1.4 kg; of city women, 8.5 kg plus or minus 2.7 kg (according to investigatory data from the Nutrition Institute).

The percentage of newborns weighing under 2.5 kg is 13.5 percent (nutrition control data from the Nutrition Institute on 15 villages in 1989).

Our country is among the 32 poorest countries in the world, with a low average per capita income and food averaging 300 kg per person.

Many representative views from the localities indicate that, despite knowing poverty and hunger, a hard life, and despite children being illiterate, our people, especially farmers, still have many births, hoping that many children will create a source of great wealth: the more people in a family, the greater the manpower, the more land can be divided up, and what's more, when no son is born the woman is still tormented and looked down on because of each place's views, customs, habits, etc. [passage omitted]

#### Specific Norms

In 1991, reduce the birth rate by 0.6 per thousand compared with 1990 in order to bring the birth rate down from 30.3 per thousand in 1990 to 29.7 per thousand in 1991; the percentage of natural population increase will be 21.5 per thousand and the average population in 1991 will be 67.6 million people.

Increase the percentage of married couples taking contraceptive measures from 42 percent in 1990 to 44 percent in 1991. According to calculations from demographers, to reduce the birth rate 0.6 per thousand there must be a 33,000 decline in children each year. Thus, each village each year must reduce births by three more children. This is a figure that sounds very small, very unremarkable to everyone, yet for those involved in the population and family planning effort in Vietnam it is extremely difficult.

Because of this, family households in our rural area are very averse to accepting a small family size of one to two kids. The view that it is "better to have a rash of children than the rash of wealth" still permeates the thinking of Vietnamese farm families.

For wives, husbands, and couples to regain happiness for families, themselves, and all society for the sake of future generations, they need to find for themselves the most optimal measure to hope to have a better, more meaningful life.

#### Unemployment Still Problem in Ho Chi Minh City

912E0166A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 7 Apr 91 p 2

[Article by Le Ha Chi: "From Realities in Ho Chi Minh City, Think About Finding Employment for Discharged Soldiers and Assault Youths"]

[Text] For the young generation, especially in the cities today, employment is the burning issue that needs to be attended to. Employment is essentially the prelude for entering life and the basis for affirming the youth's position to contribute to society. Employment after discharge is the legitimate consideration and hope of men and women troops and assault youths today and is in conformity with the policy of the party and state. If one goes from the view that unemployed youths are those who have no legitimate source of income created

by them through work in production installations and businesses in segments of the economy, then Ho Chi Minh City at present has more than 100,000 people. Of this, discharged troops and assault youths are more than 30,000.

To clearly define the significance and responsibility in this matter, while many large provinces and cities had not in the past fully examined and evaluated the fact that youths had no work, in 1989, the city had a professional scientific seminar entitled "youth and employment" (chaired by PhD Phan Nghia Dung).

The investigation and examination indicated that 95 percent of the youths were unemployed because they had no skill; those having an elementary education level were 1.7 percent while technicians were only 0.7 percent. From this reality, the missing link the city is concentrating on is setting goals, teaching skills, and creating employment capabilities for men and women. In past years, levels having responsibility concentrated on strengthening and ensuring the routine operations of 31 mainline schools managed by the central government. On the other hand, the municipal people's committee permitted and encouraged the creation of a network of collective and private trade schools. Then was the inception of 175 centers in this school system which provide short-term (under 12 months) training in 10 different types of skills. From short-term, versatile training procedures closely connected to the needs of production installations, troops and assault youths receive selection priority and reduced tuitions; so, the number of discharged troops and assault youths going through training in this school system who could be employed has increased 30 percent. Alongside this has been the inception and effective operation of the municipal children's service center, together with the concern of all levels of administration. Thus, the city has, over the past two years, found employment for more than 15,000 discharged troops and assault youths. This truly is a tremendous effort.

Thus far, however, the city still has approximately 30,000 discharged troops and assault youths who are unemployed. Investigation and examination in Ho Chi Minh City have indicated that 92 percent have no special skill, 61 percent have under a ninth grade education, and 80 percent are the children of laborers, workers, and civil servants.

No special skills and low education are intrinsically the fellow traveller of the difficulty in finding employment. They have basic favorable aspects for training and placing in trades which are that most are still young and single (95 percent are under 30 years of age), but a portion have a wrong view about employment: wanting to choose the job more than find one. They don't want to work in places far from the city or outside state rolls. False unemployment is created from this.

But we also need to look directly at the other main reason which is that levels of administration and responsible and related agencies have not given proper attention and priority status to men and women. For example, in the past two years discharged troops who have been employed in industrial production units account for only 22 percent. Meanwhile, male laborers recruited for other purposes account for more than 40 percent. Annually, discharged troops account for only 10-15 percent of the total number of people recommended by the young labor center for stable employment. There exists the situation in which many enterprises and production installations in the city do not want to recruit discharged troops because of the mistaken view that this group is readily officious, frequently fights, is hard to lead, etc.

We think that, from the real situation cited above, the city concentrating on satisfactorily resolving this is the manifestation of the responsibility of the rear to returning people who have completed their noble obligation, the practical mobilization source encouraging classes of youths to set out to perform the obligation of defending the fatherland. But this problem must be resolved in a situation wherein standards for recruiting labor for units cannot now be applied as before. Thus, given the realities in Ho Chi Minh City in particular and on a nationwide scale in general, the priority for employment of discharged troops and assault youths can be achieved only on the basis of creating a definite skill for them themselves while, at the same time, maximizing their and their families' capability to find work on their own.

We recognize that, in Ho Chi Minh City as well as in other localities, the priority of finding satisfactory employment for this group demands that responsible agencies investigate, examine, and get a good grasp of their numbers as well as their aspirations, and have a suitable plan for handling this.

The important thing above all is for localities to have statutes and policies for waiving or reducing tuition fees or business taxes in particular and giving other considerations so they themselves can create jobs or concentrate on production cooperation.

Each Army unit and assault youth team should bring its collective responsibility even more into play, contribute to making connections, and find work for men and women completing their obligation. At the same time, they should mobilize each individual to actively set the goal of increasing his capability to find employment.

Stepping up the training effort must be closely connected to placement and recommendation for employment and must become a related and accompanying operation in each locality and on a nationwide scale.

#### **Catholic Bishop Awarded by State**

*BK2805154391 Hanoi VNA in English 1357 GMT  
28 May 91*

[Text] Hanoi VNA May 28—A ceremony was jointly held in Ho Chi Minh City by the Vietnam Fatherland Front Central Committee and the Committee for Solidarity of Patriotic Vietnamese Catholics (CSPVC) to confer the Independence Order, First Class, on Catholic Bishop Vo Thanh Trinh, president of the CSPVC. Among those present at the ceremony were Phung Van Tuu, vice chairman of the National Assembly, and Nguyen Cong Ei, vice chairman of the People's Committee of Ho Chi Minh City.

In his acceptance speech, Bishop Vo Thanh Trinh said this was a great honor for him and for all Catholics who love the country. "I am optimistic and confident in the [word indistinct] of the Catholic clergy and laity in their common endeavours to build a prosperous and happy Vietnam," he said.